

TOWN OF FOUNTAIN HILLS PROPOSED BUDGET FY 2015-16



Ken Buchanan, Town Manager
Craig Rudolphy, Finance Director
April, 2015

Mission, Vision & Values



Mission



- **Town of Fountain Hills**
 - The Mayor & Town Council are charged with serving the best interests of the community by providing for its safety and well-being; respecting its special, small-town character and quality of life; providing superior public services; sustaining the public trust through open and responsive government; and maintaining the stewardship and preservation of its financial and natural resources.

Vision



- Our Vision

Fountain Hills is a distinctive community designed to invigorate the body, mind and spirit and strives to:

- Be stewards of this unique enclave, dedicated to preserving the environment and visual aesthetics and to living in balance with the Sonoran Desert;
- Champion the diversity of experiences our residents bring to our community and rely on this depth of experience to innovatively address our challenges;
- Be economically sustainable and anchor our vitality in an active, vibrant town core that serves us culturally, socially and economically;
- Be civic-minded and friendly, taking responsibility for our Town's success by building partnerships and investing our talent and resources.

Values



- **Our Values**
 - Civility
 - Civic Responsibility
 - Environmental Stewardship
 - Economic Vitality
 - Education, Learning and Culture
 - Maintain and Improve Community Infrastructure
 - Public Safety, Health and Welfare
 - Recreational Opportunities and Amenities

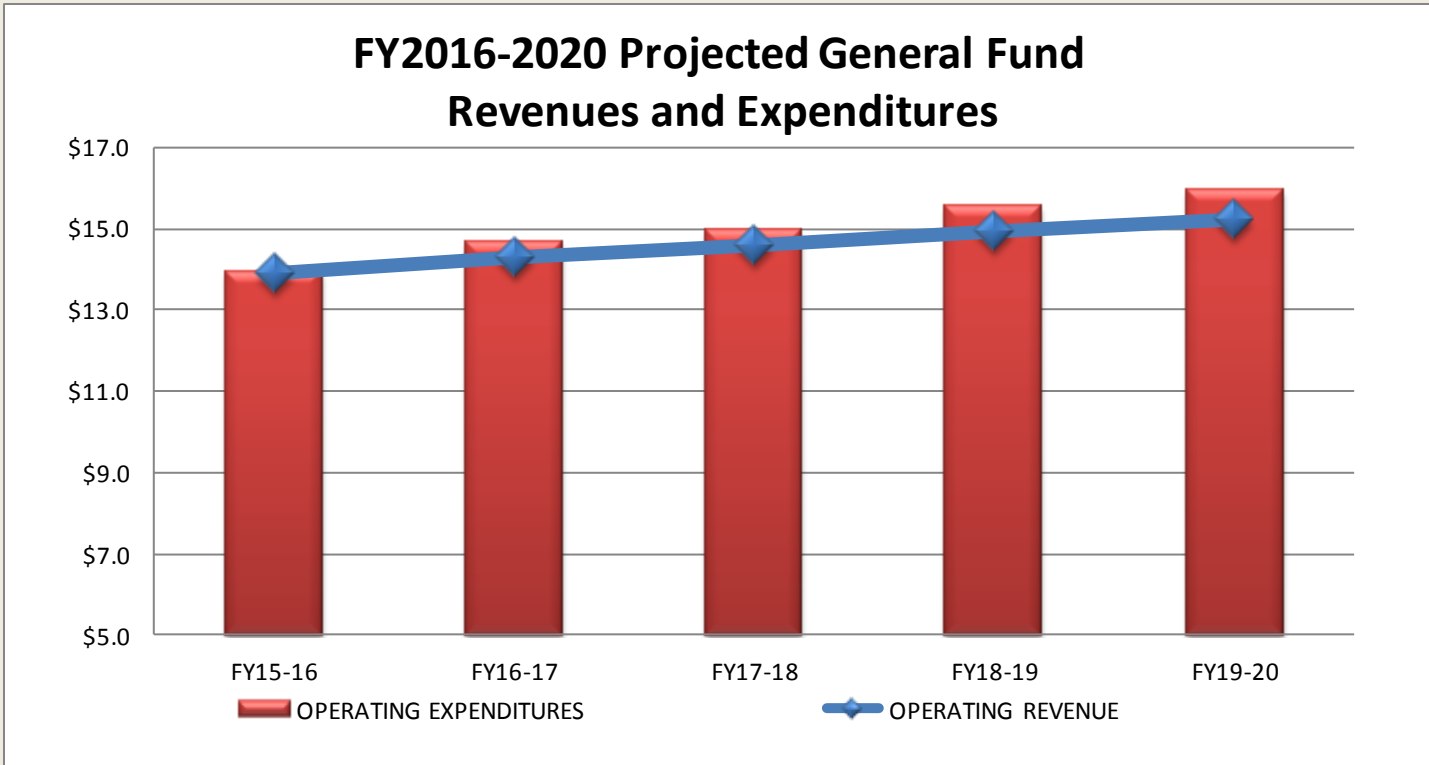
Financial Forecast



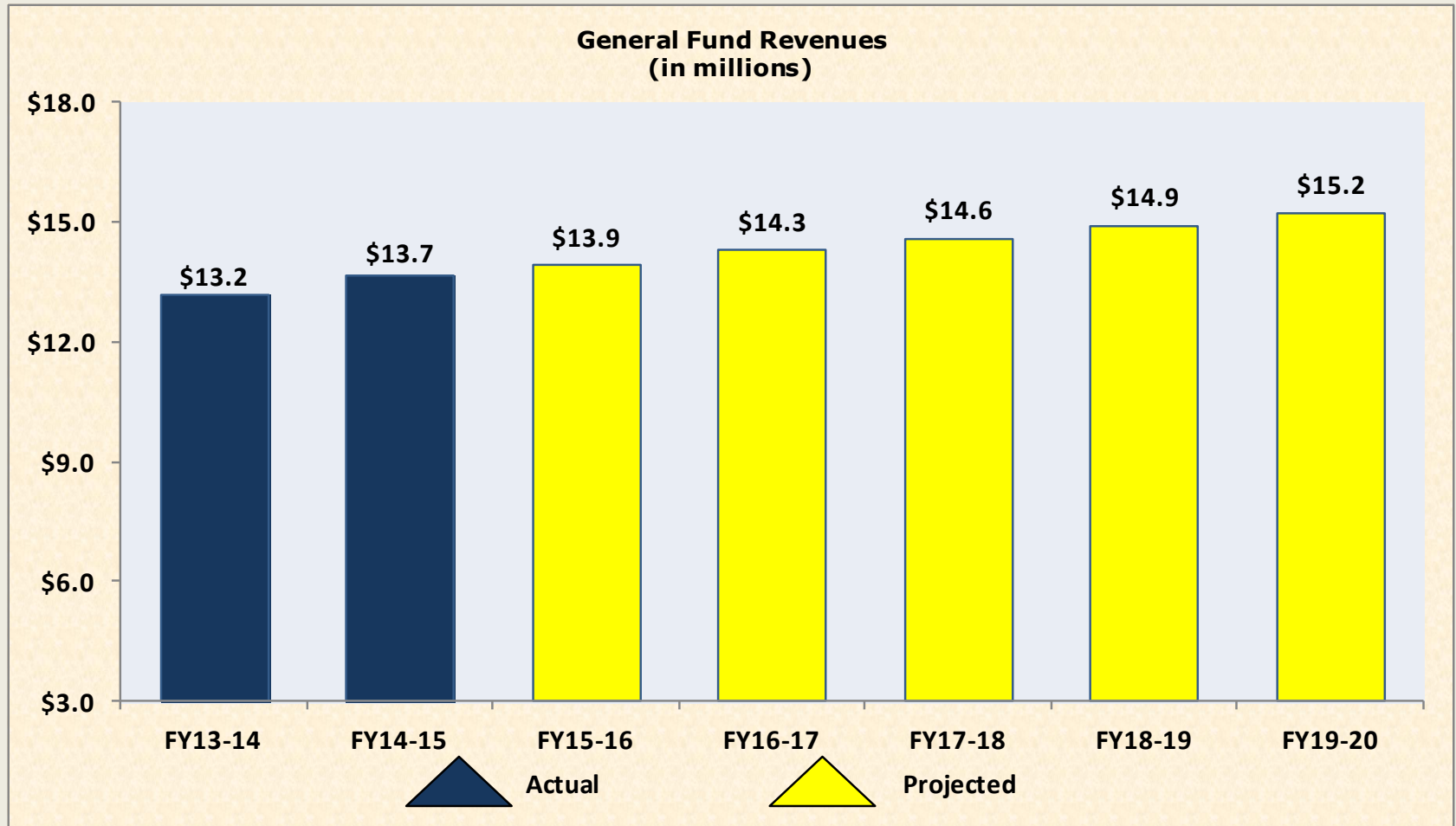


Financial 5-Year Overview

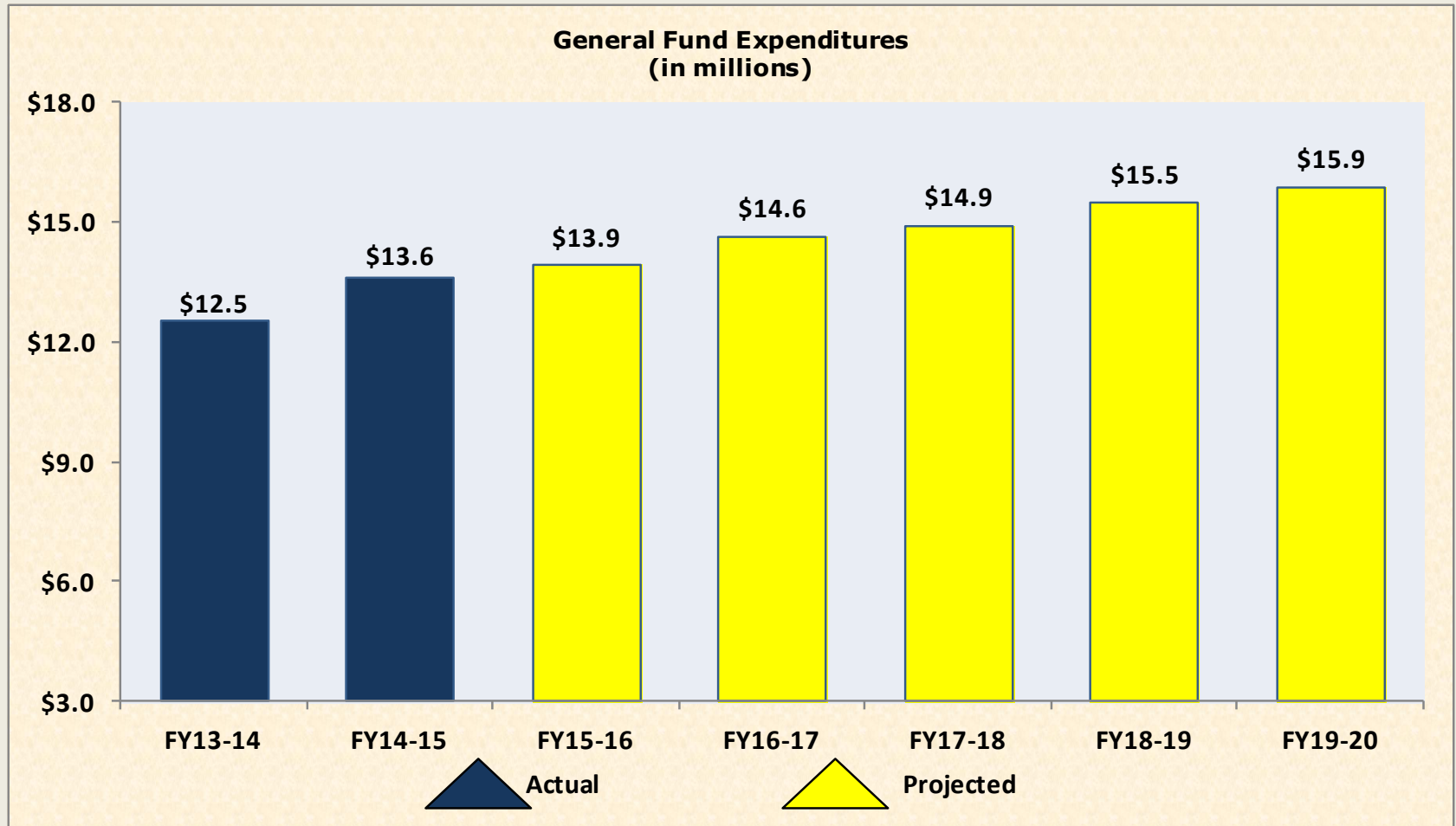
GENERAL FUND PROJECTIONS



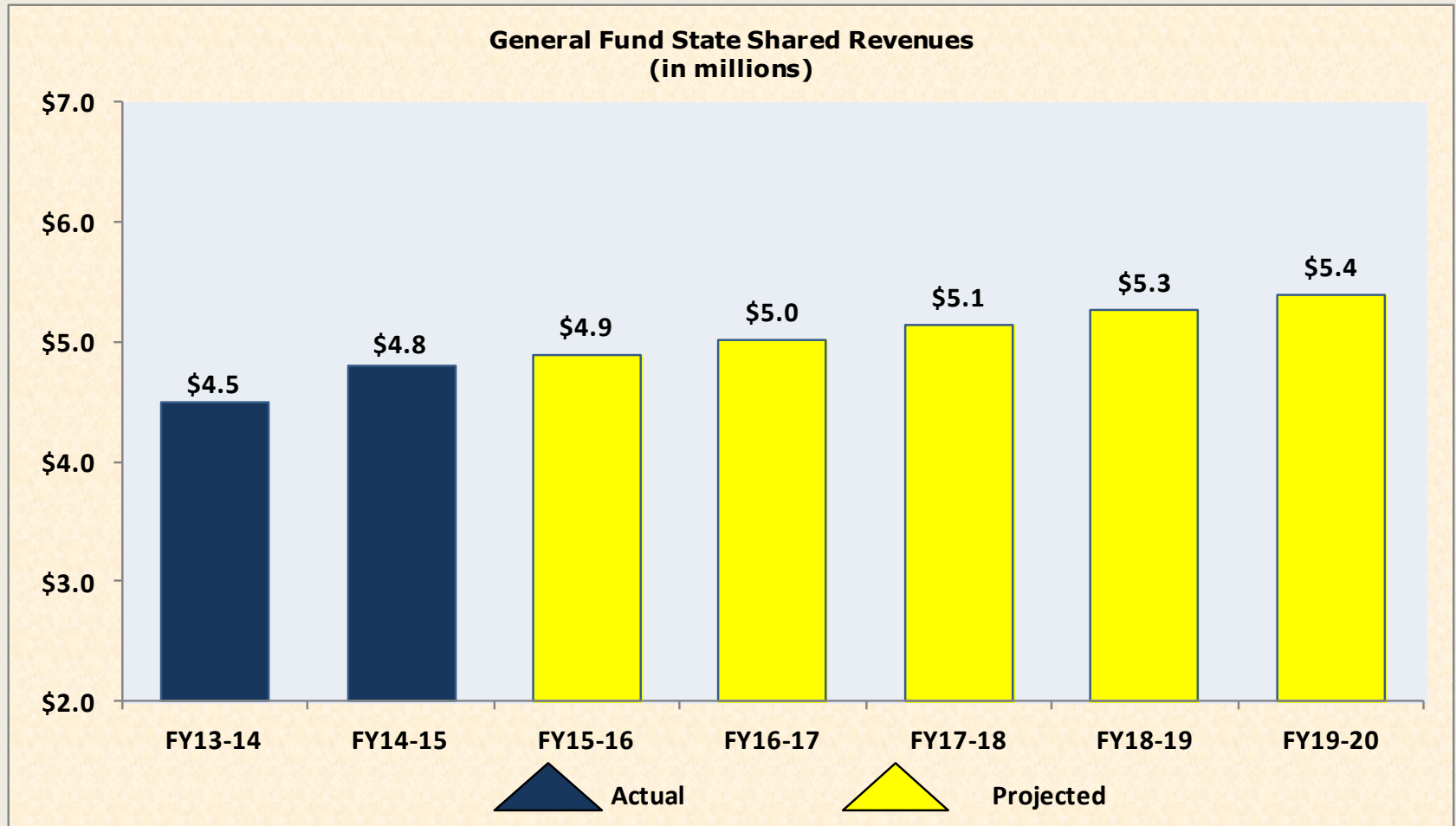
GENERAL FUND PROJECTIONS



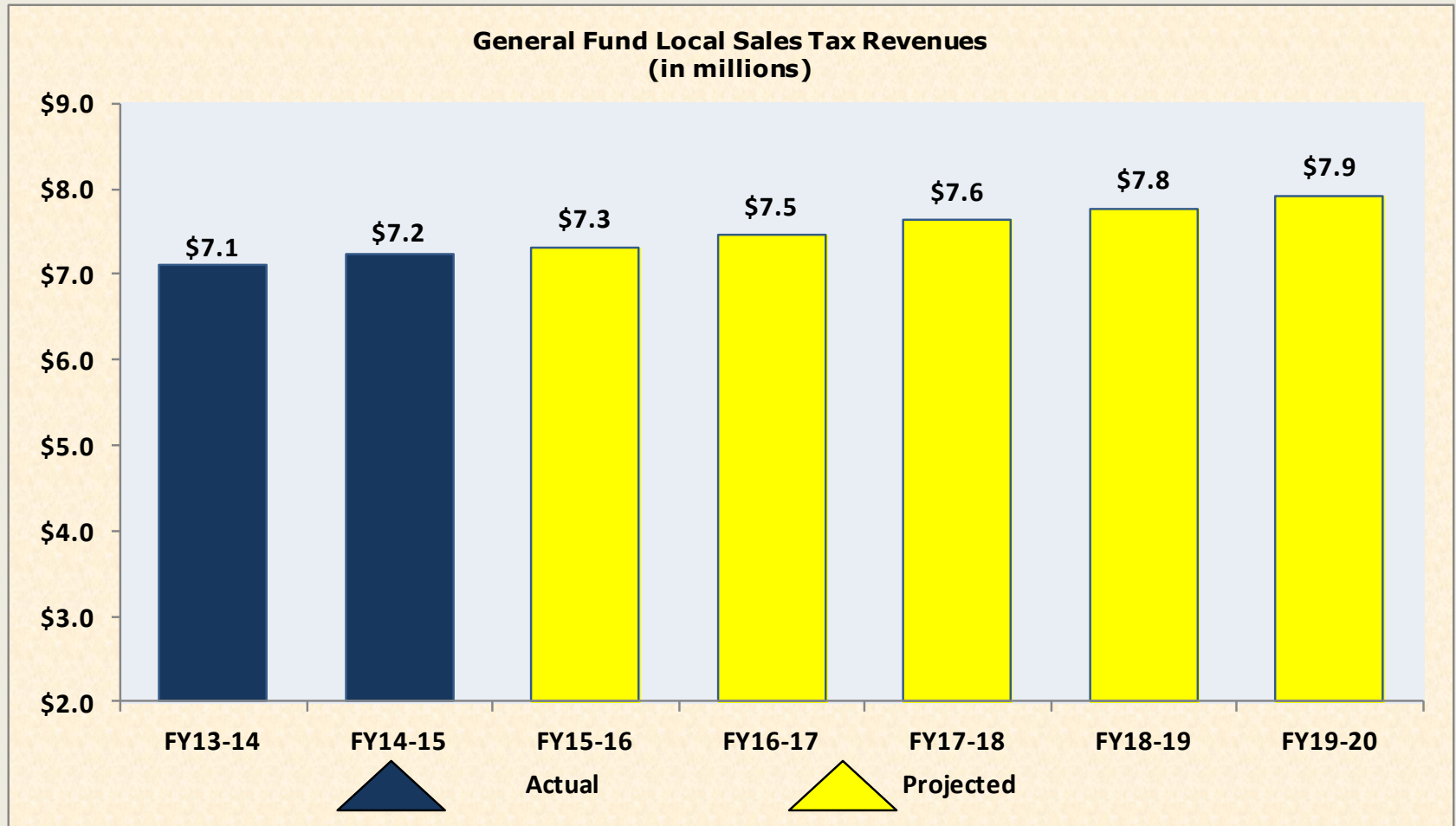
GENERAL FUND PROJECTIONS



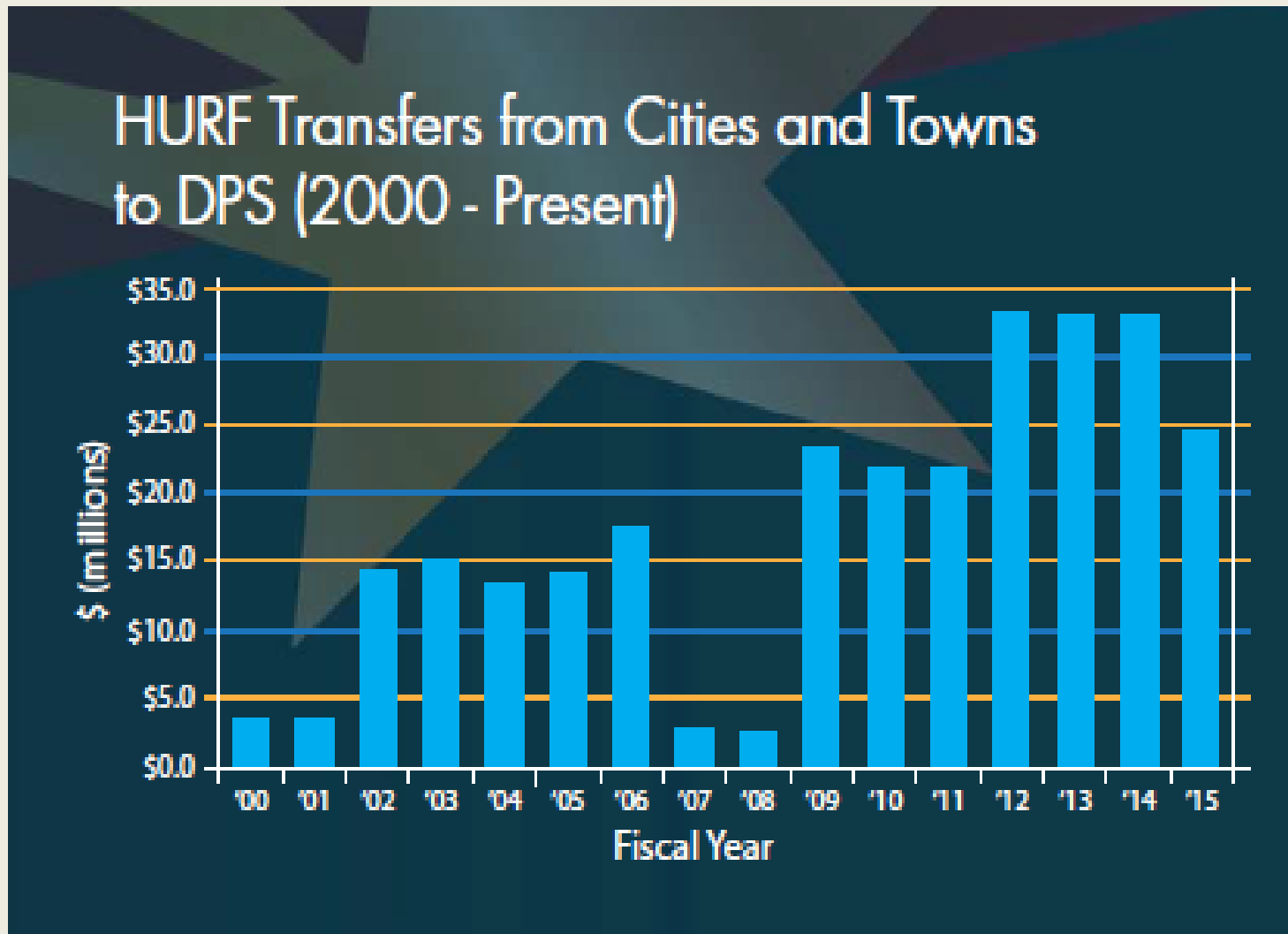
GENERAL FUND PROJECTIONS



GENERAL FUND PROJECTIONS

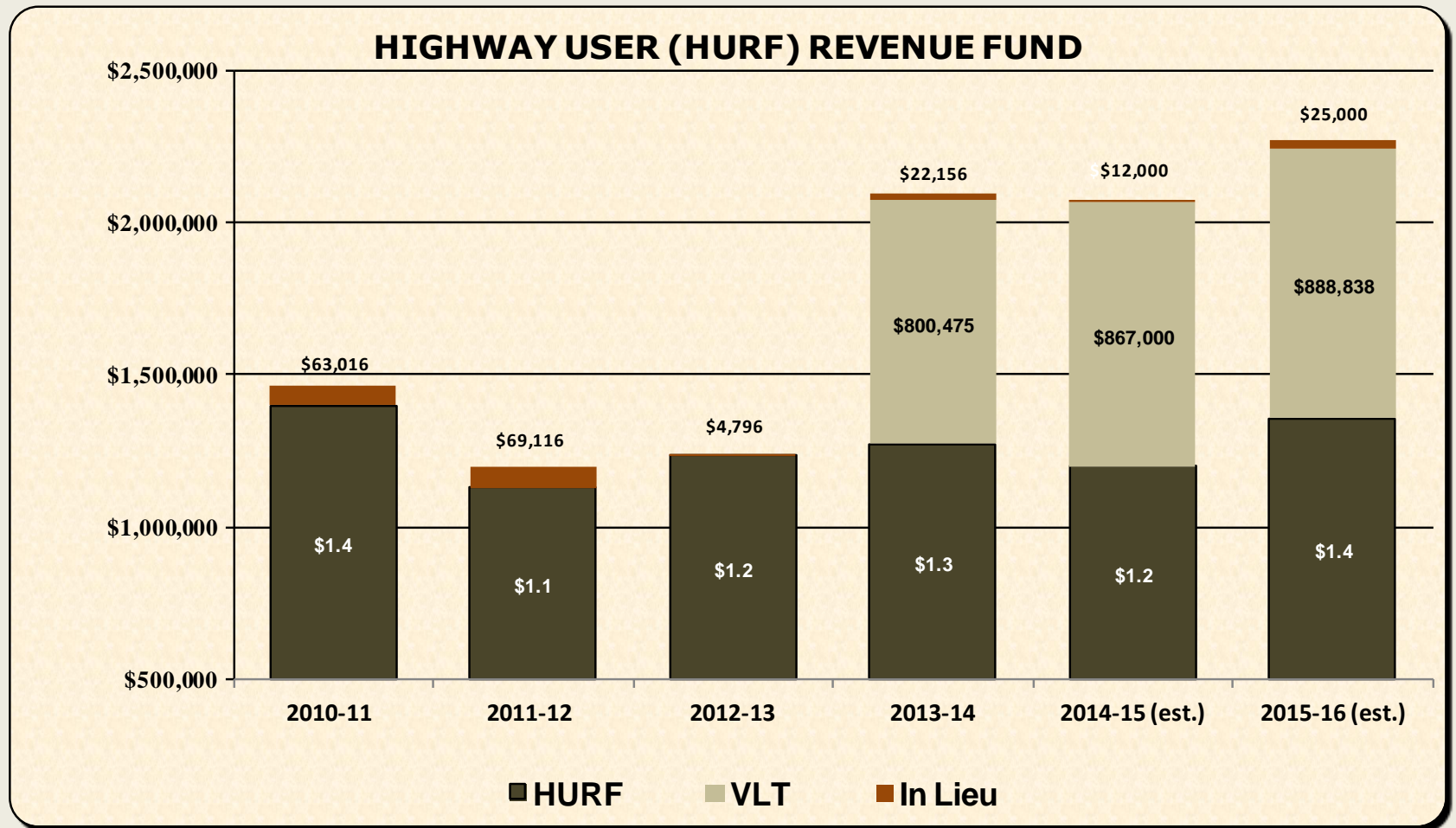


HURF REVENUES



Source: League of Arizona Cities and Towns 2015 *Municipal Policy Statement*
Roughly \$250,000,000

HURF



FY16 BUDGET ASSUMPTIONS

	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
New staff	0	0	1*	0	0
MCSO Increase	10.0%	4.5%	4.5%	4.5%	4.5%
Rural Metro Increase	3.0%	3.0%	3.5%	3.5%	3.5%
Inflation	0%	2.5%	2.5%	3.5%	3.5%
Building Permits	41	54	54	59	59
Election Costs	\$55,000	\$22,000	\$0	\$24,000	\$0
Community Center debt payment subsidy	\$0	\$406,500	\$387,700	\$394,100	\$314,700
General Fund contingency	\$123,548	\$100,000	\$100,000	\$100,000	\$100,000

*additional staff is dependent upon budget availability.



Debt Overview

OUTSTANDING BONDS at 7/1/15



Bond Type	Purpose of Issue	Date of Bond Issue	Interest Rate	Date of Maturity	Original Principal Amount	Principal Amount Retired	Amount Refunded	Outstanding Principal
GO	Refunding	6/1/2005	4.00	7/1/2019	\$ 7,225,000	\$ 5,615,000	\$ -	\$ 1,610,000
GO	Road Construction	12/4/2014	2.00-3.00	7/1/2020	<u>7,565,000</u>	<u>-</u>	<u>-</u>	<u>7,565,000</u>
	Total GO				<u>14,790,000</u>	<u>5,615,000</u>	<u>-</u>	<u>9,175,000</u>
Rev	Revenue	12/1/2004	4.25-4.50	7/1/2015	3,645,000	3,645,000	-	- *
Rev	Refunding	6/1/2005	3.25-4.00	7/1/2020	<u>5,330,000</u>	<u>3,545,000</u>	<u>-</u>	<u>1,785,000</u>
	Total Rev				<u>8,975,000</u>	<u>7,190,000</u>	<u>-</u>	<u>1,785,000</u>
SA	Eagle Mtn	7/12/2005	4.00-4.125	7/1/2021	<u>4,555,000</u>	<u>2,375,000</u>	<u>-</u>	<u>2,180,000</u>
	Total SA				<u>4,555,000</u>	<u>2,375,000</u>	<u>-</u>	<u>2,180,000</u>
	Grand Total				<u>\$ 28,320,000</u>	<u>\$ 15,180,000</u>	<u>\$ -</u>	<u>\$ 13,140,000</u>

GO General Obligation Bonds
 Rev Revenue Bonds
 SA Special Assessment Bonds

* Bonds were defeased on 11/9/2011 and funds are currently held in escrow.
 Bonds were called 7/1/2015.

Revenue Bonds include Community Center and Preserve
General Obligation Bonds include Library/Museum, Preserve and Saguaro Blvd.
Special Assessment Bonds are for Eagle Mountain CFD



Operational Priorities

Operational Priorities FY15-16



Operational Priorities Addressed in Budget

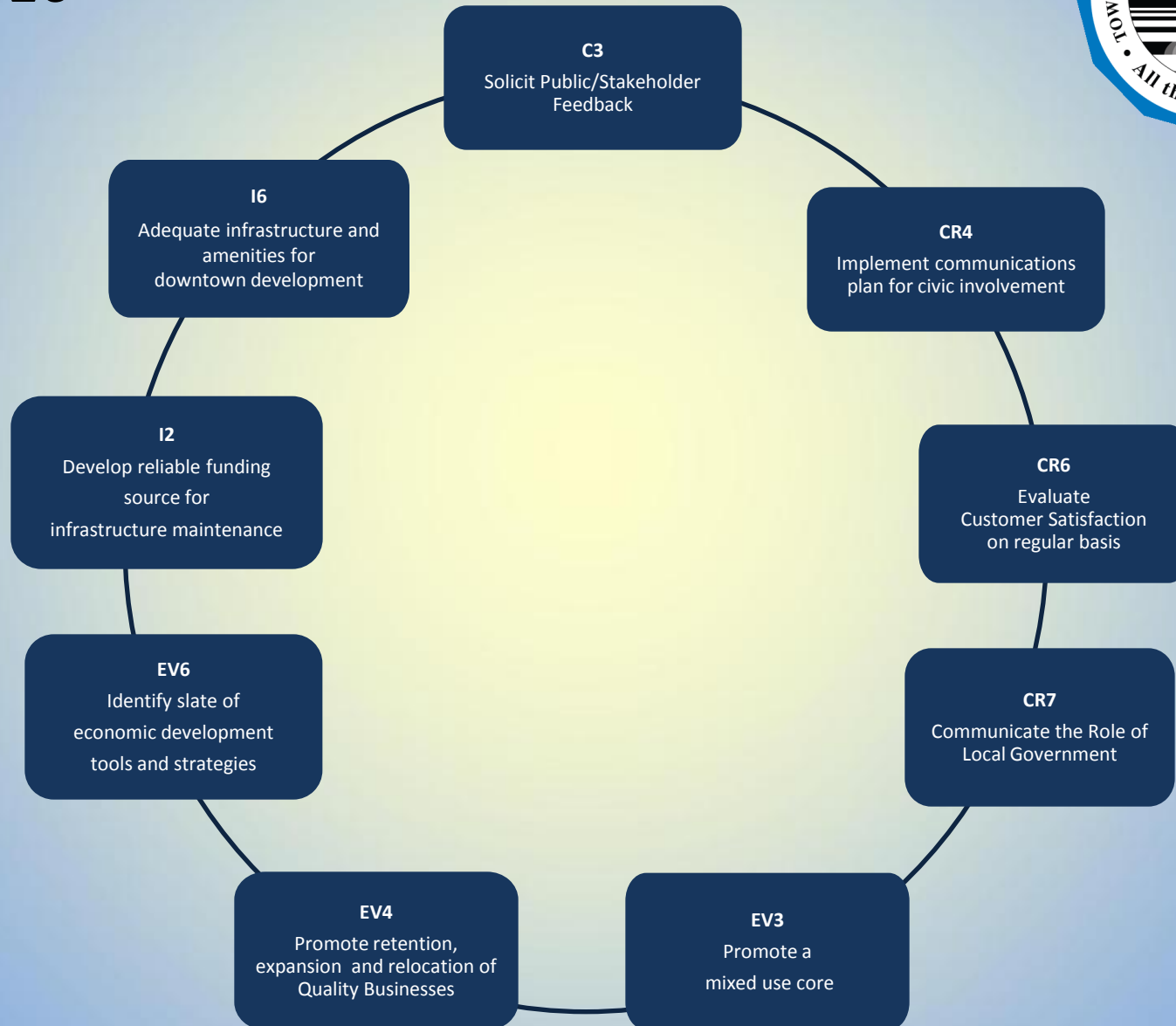


- Economic Development Plan Implementation
- Pavement Management Program Expanded with inclusion of Asphalt Replacement Plan
- Fire Station #2 Relocation – (Site yet to be determined)
- Environmental Fee Implementation
- Solid Waste Contract Extension
- Fire Services Contract Extension
- Saguaro Boulevard Reconstruction Project Completion



Strategic Plan Goals

Strategic Planning Goals FY2015-16



Strategic Plan Goals Addressed In Budget



- EV3 – Promote a Mixed Use Downtown Core
- EV4 – Promote Business Expansion and Retention Program
- EV6 - Identify Slate of Economic Development Tools & Strategies
- I2 – Reliable Source of Funding for Infrastructure Maintenance
- I6 - Adequate infrastructure and amenities for downtown development
- C3 - Solicit Public/Stakeholder Feedback
- CR4 – Implement communications plan for civic involvement
- CR6 – Evaluate Customer Satisfaction on regular basis
- CR7 – Communicate the Role of Local Government



Budget Presentation Overview

Town Manager's
FY2015/16
Budget Proposal



\$37,954,031



Previous Fiscal Year Budgets

- **FY11** **\$29.6M**
- **FY12** **\$38.3M**
- **FY13** **\$31.5M**
- **FY14** **\$41.7M**
- **FY 15** **\$44.8M**
- **FY16** **\$38.0M**

Budget Presentation Agenda



- Budget Highlights
- Core Services/Departmental Budgets
 - Public Safety: Fire/Emergency Medical Services; Law Enforcement; Judicial
 - Administration: Town Manager; Town Clerk; Legal Services; Human Resources/Risk Management; Finance; I.T.; Economic Development; Volunteer Program
 - Development Services: Building Safety; Code Enforcement; Engineering; Streets; Storm Water/Environmental Services; Facilities; Mapping & Graphics; Planning
 - Community Services: Parks; Recreation; Tourism; Senior Services; Community Center; Open Space & Trails
- Capital Improvement
- Fee Schedule
- Personnel



Budget Highlights



Budget Assumptions

- Continued New reality
- Adherence to the State-imposed Expenditure Limitation Law will limit the Town's ability to budget proposed capital projects.
- Revenue projections are determined using both a trend analysis formula, as well as a flat percentage increase, but are estimates.
- Little change in distribution of State Shared Revenues.
- Maintaining existing levels of service although challenging (no new programs/no new employees).
- Inflation factor of 2.5% to 3.5% for Administration, Development Services and Community Services departments in future years.
- Public Safety contracts for MCSO has a **10.0%** increase.
- Rural/Metro Fire has a **3.0%** increase.
- TPT Construction Sales Tax Revenue included in Projections (impact of recent legislation is unknown at this time).

2015/16 Budget Highlights



- **State-imposed Expenditure Limitation Law**
 - Currently, the Town of Fountain Hills is, as are many cities and towns, under the State-imposed Expenditure Limitation Law since its incorporation in 1989. The law has been in existence since 1980 and is in both the Arizona Constitution and the Arizona Revised Statutes. The law requires the Economic Estimates Commission (EEC) to provide the amount of the State-imposed Expenditure Limitation in February of each year. The calculations are based on the GDP implicit price deflator, adjusting for inflation and population change in the community. In the law, there are also thirteen exemptions that apply to local funds such as bonds, grants, and intergovernmental agreements, to name a few.

2015/16 Budget Highlights cont....



- **State-imposed Expenditure Limitation Law**
 - After review of the three main areas of the law and the planned expenditures for the upcoming Fy2015/16 Budget, the Town faced a reduction in the budget that could be authorized for expenditures in the Capital Improvement Plan for 2015/16 in order to comply with the State-imposed Expenditure Limitation Law.
 - FY15/16 Annual Budget was faced with conforming to the expenditure limitation requirements prescribed by law.

2015/16 Budget Highlights cont....



- **State-imposed Expenditure Limitation Law**
- There were four projects from the Capital Improvement Project List that were removed and deferred to the FY16/17 Budget.
- They are:
 - Adero Canyon Trailhead \$1,910,000
 - Shea Blvd. Eastbound Bike Lane \$ 380,000
 - Unpaved Alley Project \$ 200,000
 - Intelligent Transportation System \$ 250,000

2015/16 Budget Highlights



- Continued Focus on adequate funding for Core Services with a structurally balanced budget.
 - There were 6 new Employee Positions Requested (\$325,958)
 - 1 Court (\$7,688)
 - 2 Development Services (\$151,770)
 - 2 Finance (\$130,595)
 - 1 Community Services (\$35,905)
- There are no new Employee Positions budgeted for FY15/16.
- 2.5% adjustment to the Salary Plan for Employees recommended. Total cost is \$63,822.



2015/16 Budget Highlights

- **Departmental Funding Requests not funded:**

There was \$392,847 in Core Services requests over Revenue.

- **Development Services - \$135,085**
 - Deferred Repairs to Parking Lots
 - Reduced Funding to Facilities Replacement Fund
 - **Community Services - \$166,595**
 - Elimination of 'Movies in the Park' and 'Music Festival'
 - Deferred Repairs to Parking Lots
 - Deferred Replacement of Ballroom Chairs
 - Reduction to Golden Eagle Park Improvements
 - **Administration - \$91,167**
 - Elimination of Compensation Study
 - Reduced Funding to Economic Development Fund from the General Fund; offset by an increase in funding due to the reallocation of .1% excise tax distribution of 60%/40% to 80%/20%
 - Training reduced from departmental requests (overall increase from \$7,000 in FY14-15 to \$18,000 in FY15-16)
 - Capital Requests – Deferred due to State-Imposed Expenditure Limitation
- Development Services**
- Projects, etc. - \$830,000
- Community Services**
- Projects, etc. - \$1,910,000

2015/16 Budget Highlights



- Includes budget for Mid-Year initiation of an Environmental Fee.
- Public Safety Increases total \$384,126.
 - Law Enforcement 10% Contract Increase
 - Fire Service 3% Contract Increase
- 4% increase in Salt River Project Electrical costs budgeted.
- Chaparral City Water 3.6% increase in water rates budgeted.

2015/16 Budget Highlights



- Continued focus on Street Replacement, Repair and Maintenance in the amount of \$7,380,000.
 - Saguaro Boulevard Road Bond Approved and budgeted for \$5,000,000 (carry-over budget authority to complete the project).
 - Shea Boulevard Street Asphalt/Signal Replacement Project (Technology to Beeline) in the amount of \$1,000,000. (carry-over budget authority to complete the project).
 - \$380,000 Signal Light Replacement at Palisades and Saguaro Blvd from CIP
 - Vehicle License Tax/HURF Funds for Pavement Management Plan maintenance projects for Zone #1 (\$1,000,000)

2015/16 Budget Highlights



- Continued focus on initiating and/or completing the Capital Improvement Plan (CIP) Projects

– Adero Canyon Trailhead	\$ 20,000
– Saguaro Boulevard	\$5,000,000
– Shea Boulevard	\$1,000,000
– Ashbrook Wash Project	\$2,145,000
– Fire Station #2 Relocation Project	\$3,650,000
– Miscellaneous Drainage Project	\$ 50,000
– Downtown Master Plan	\$200,000
– Fountain Park Phase #6	\$910,000
– Fountain Lake Water Quality Project	\$200,000
– Fountain Hills Blvd. Shoulder Paving	\$500,000
– Highway Safety Improvement Program	\$ 15,000
– McDowell Mountain Road Repairs	\$ 65,000
– Traffic Signal at Palisades and Saguaro Blvds.	\$380,000
– Contingency	<u>\$141,350</u>
Total	\$14,276,350

FY15/16 Budget Summary



Fund	Revenues	Expenditures	Source (Use) of Reserves
General Fund	\$14.2M	\$14.0M	\$0.2M
HURF	\$2.3M	\$2.9M	(\$0.6M)
Excise Tax	\$0.6M	\$1.0M	(\$0.4M)
Special Revenues	\$2.4M	\$2.4M	\$0
Debt Service	\$3.2M	\$3.0M	\$0.2M
Capital Projects	\$3.2M	\$14.7M	(\$11.5M)
TOTALS	\$25.9M	\$38.0M	(\$12.1M)

SUMMARY OF CHANGES

2015/16 Budget



Expenditure Details	2014/15	2015/16	% Change
SERVICE	\$ million	\$ million	%
Wages & Benefits	\$4.0M	\$4.1M	2.3%
Maintenance/Utilities	\$2.8M	\$3.5M	26.0%
Contractual Services	\$8.5M	\$9.4M	9.8%
Supplies & Services	\$.7M	\$.5M	(22.9)%
Capital Expense from all Funds	\$21.9M	\$14.1M	(35.6)%
Debt Service	\$2.0M	\$3.1M	51.4%
Internal Transfers	\$4.9M	\$3.3M	(32.7)%
TOTAL	\$44.8M	\$38.0M	(15.3)% 39

GENERAL FUND OPERATING BUDGETS



Expenditure Details	2014	2015	Change	Change
SERVICE	\$ Budget (Revised)	\$ Budget	\$ Change	%
Council	\$80,318	\$80,084	\$(234)	(0.3)%
General Government, Economic Development, Finance, HR, IT	\$2,094,544	\$2,279,152	\$184,608	8.8%
Court Services, Teen Court	\$275,165	\$277,107	\$1,942	0.7%
Development Services, Town Facilities, Planning, Environment, Engineering	\$2,014,506	\$1,803,323	\$(211,183)	(10.5)%
Community Services, Recreation and Culture, Parks, Community Center, Seniors	\$2,339,148	\$2,253,195	\$(85,953)	(3.7)%
Fire, Emergency Medical Services	\$3,446,849	\$3,501,797	\$54,948	1.6%
Law Enforcement	\$3,379,630	\$3,708,808	\$329,178	9.7%
TOTAL OPERATING BUDGET	\$13,630,160	\$13,903,466	\$273,306	2.0% ⁴⁰

FY15/16 Budget By Core Services From All Funds



• Public Safety	\$ 7,210,605
• Administration	\$ 2,651,343
• Excise Tax-Downtown/ED/Tourism	\$ 1,009,288
• Development Services	\$ 4,646,348
• Community Services	\$ 2,253,195
• Debt Service	\$ 3,040,542
• Special Revenue Funds	\$ 2,363,899
• Capital	\$14,679,256
• Internal	<u>\$ 99,555</u>

Total \$37,954,031



Reserve Funds (Fund Balances)

Reserve Funds (Fund Balances)



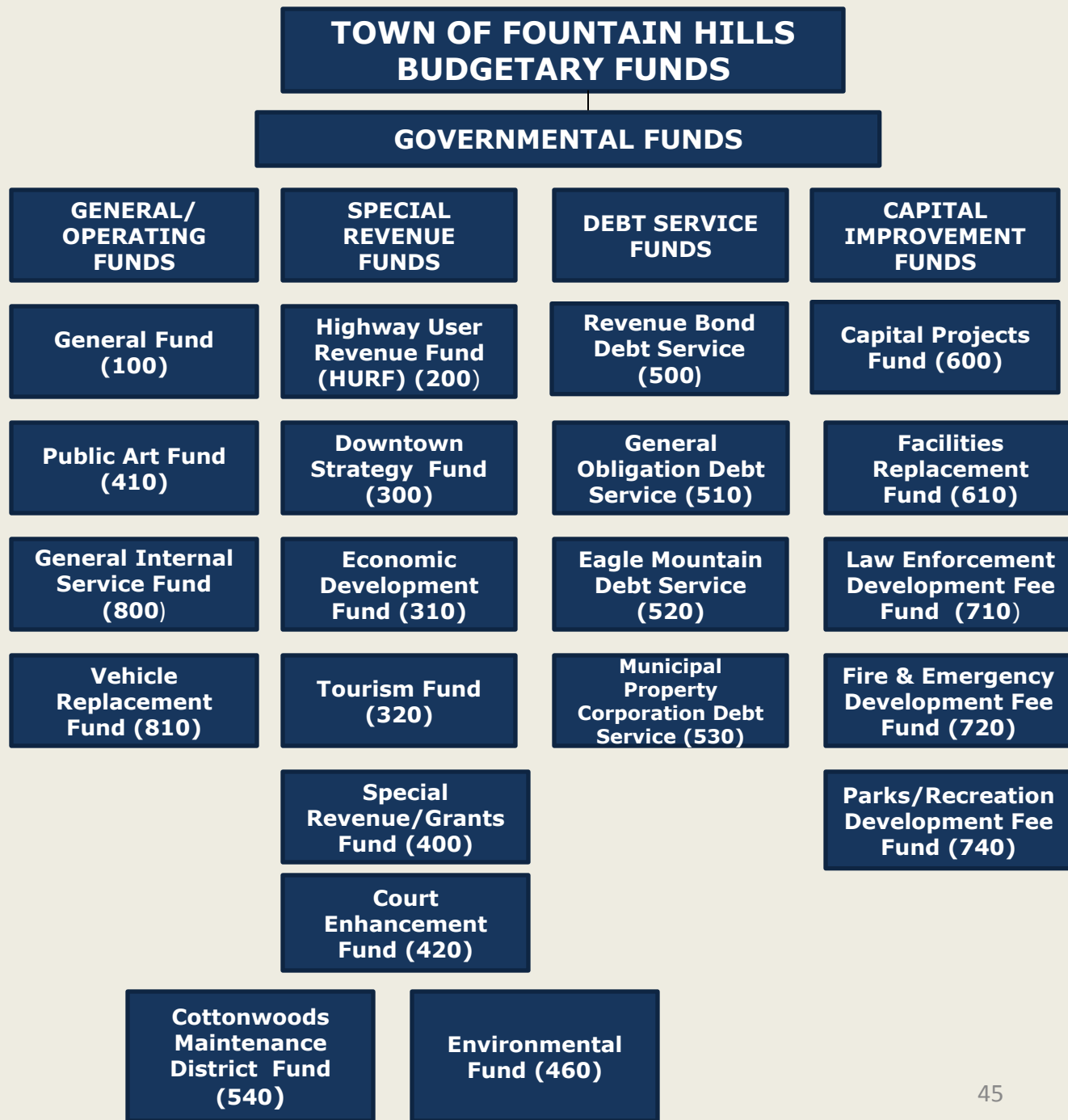
Fund	6/30/2016 Estimated Year End Balance
General Fund	\$7,199,844
Highway User Revenue Fund	\$1,010,011
Downtown Strategy Fund	\$525,729
Economic Development/Tourism Funds	\$67,099
Special Revenue Funds	\$405,968
Debt Service Funds	\$334,308
Capital Projects Fund	\$1,356,809
Rainy Day Fund	\$1,345,200
TOTAL	\$12,244,968



Financial 5 year Overview

TOWN FUNDS

21 different
sets of
books
as required
by GAAP
and/or
Arizona
Budget Law



FIVE YEAR GENERAL FUND REVENUE PROJECTIONS

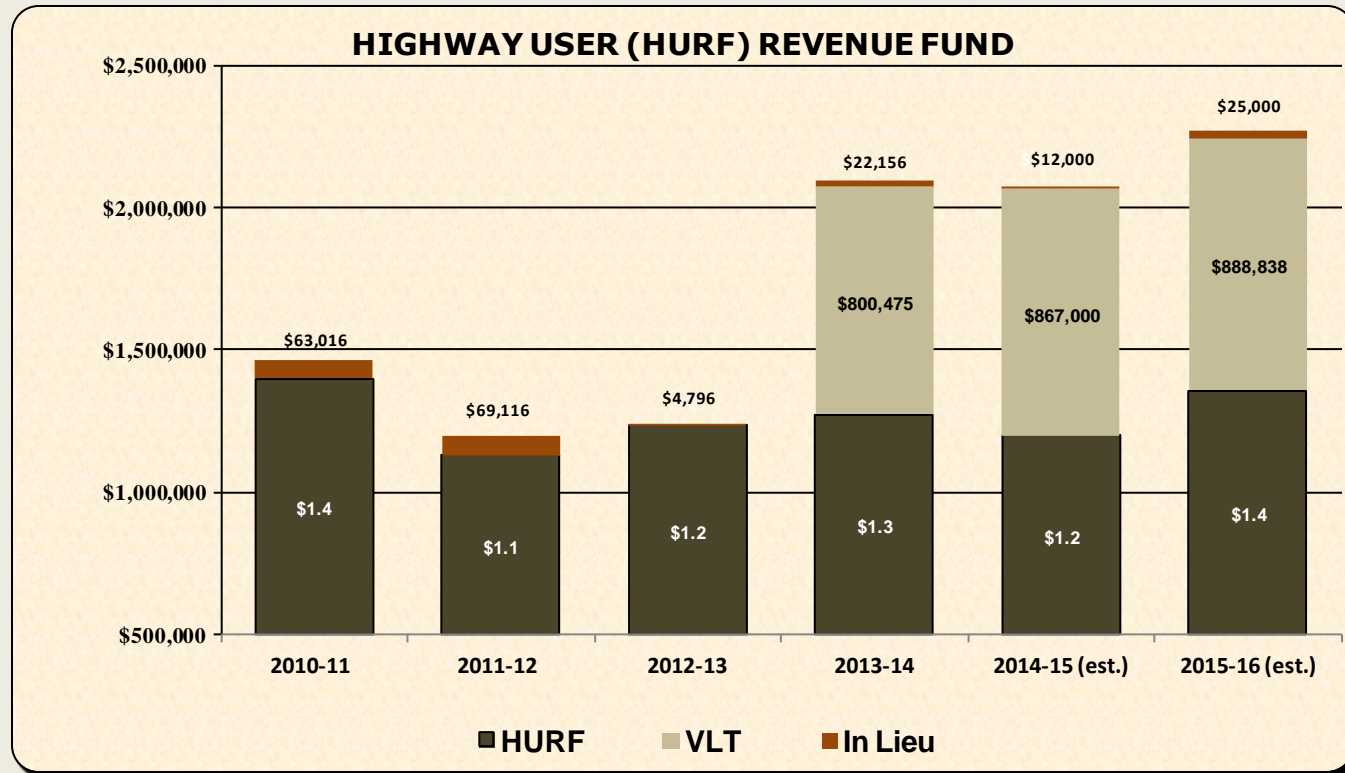
(excludes Ellman property)

FISCAL YEAR (July to June)	STATE SHARED REVENUES	LOCAL REVENUES	TOTAL GF EXPEND.	SURPLUS/ (SHORTFALL)
2015-16	4,892,167	9,011,299	13,903,466	-
2016-17	5,011,855	9,267,883	14,675,915	(396,177)
2017-18	5,134,593	9,465,379	14,966,352	(366,380)
2018-19	5,260,460	9,660,311	15,522,112	(601,341)
2019-20	5,389,540	9,837,605	15,927,799	(700,654)

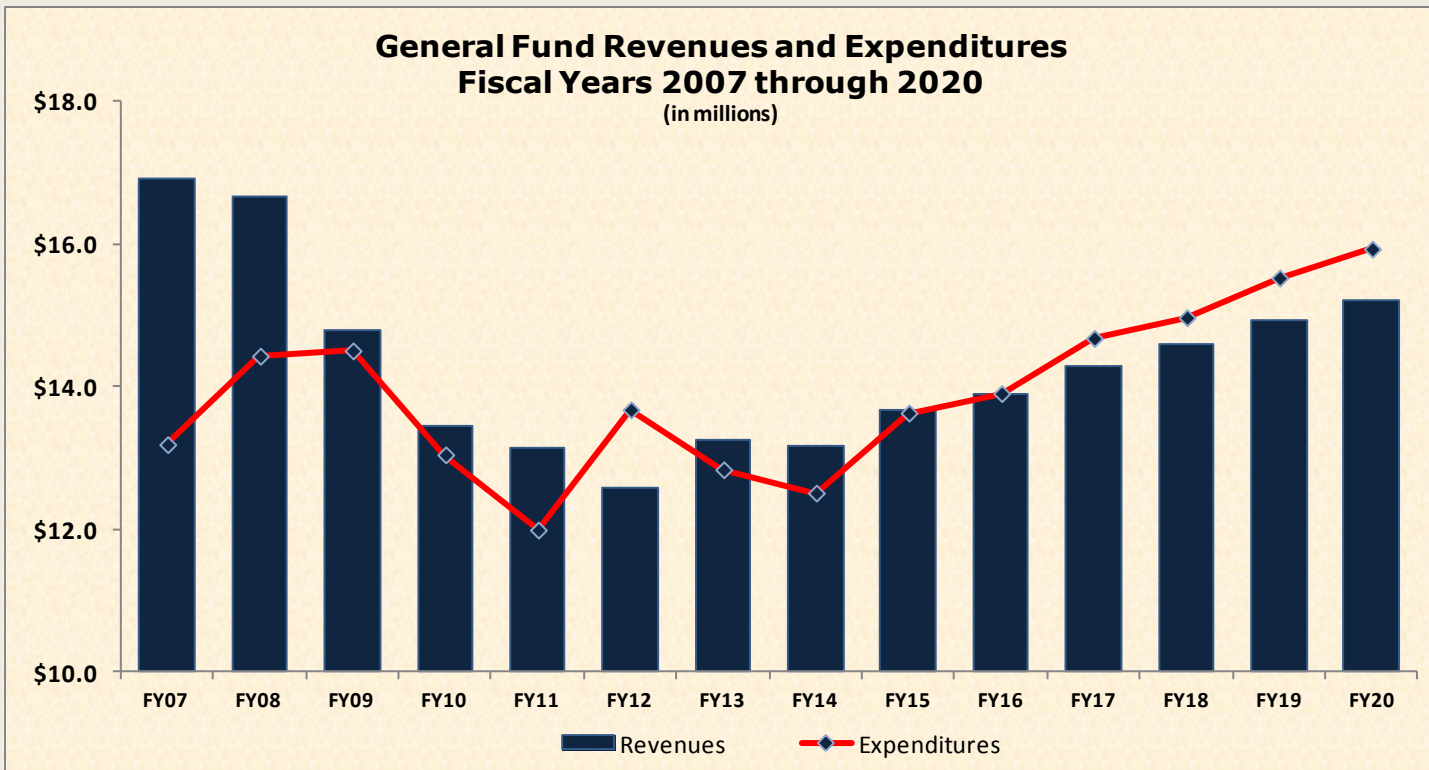
***Surplus is an estimate, based on projected one time building activity that may not be realized; Expenditure increases are estimated at 2.5% per year except public safety contracts which come in higher.**

OPERATIONAL PRIORITY: PAVEMENT MANAGEMENT PROGRAM

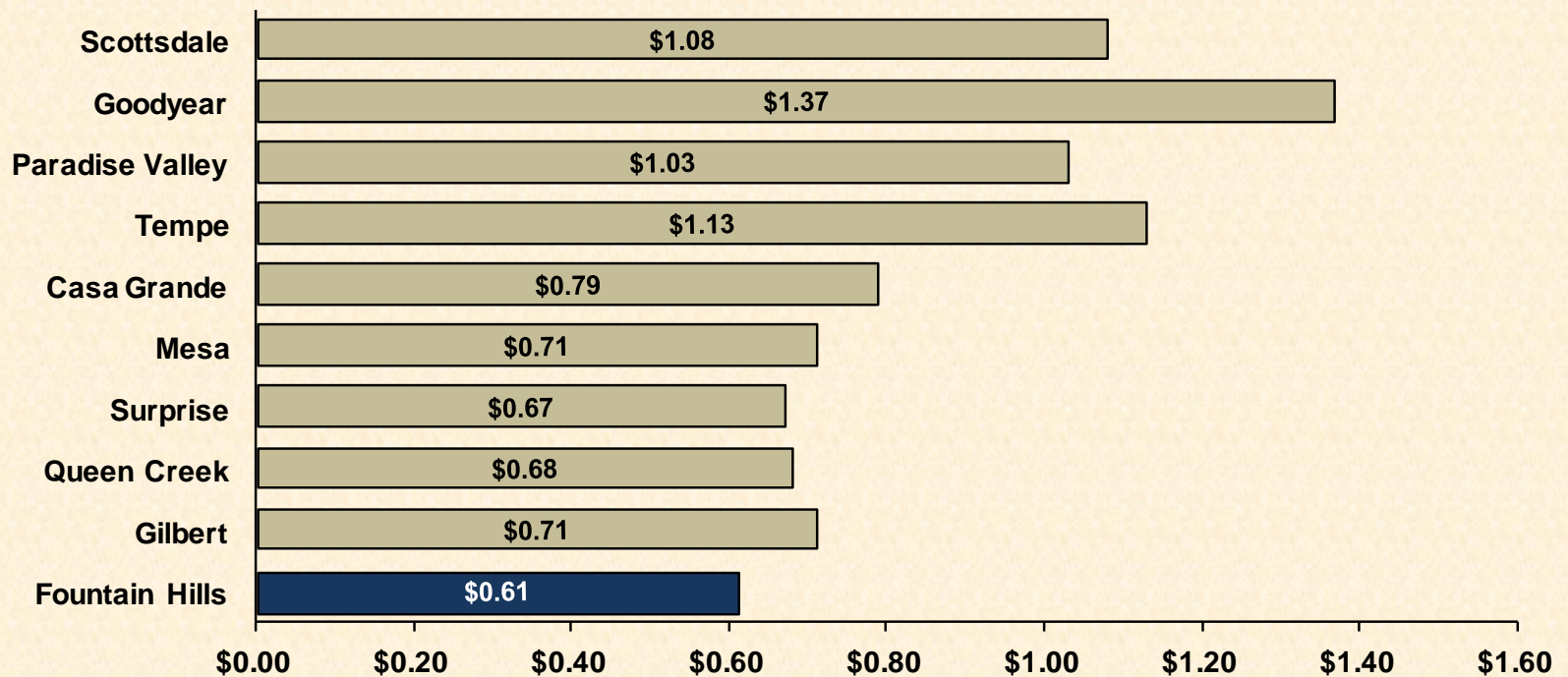
Cities and towns receive 27.5% of fuel tax and transportation related fees collected by the state based on population and county of origin of fuel sales. The revenue estimate for FY15-16 is based on estimates of revenue sharing by Arizona Department of Transportation (ADOT) in their distribution forecast in addition to the transfer of revenue from the General Fund to HURF (vehicle license taxes) to fund a pavement management program.



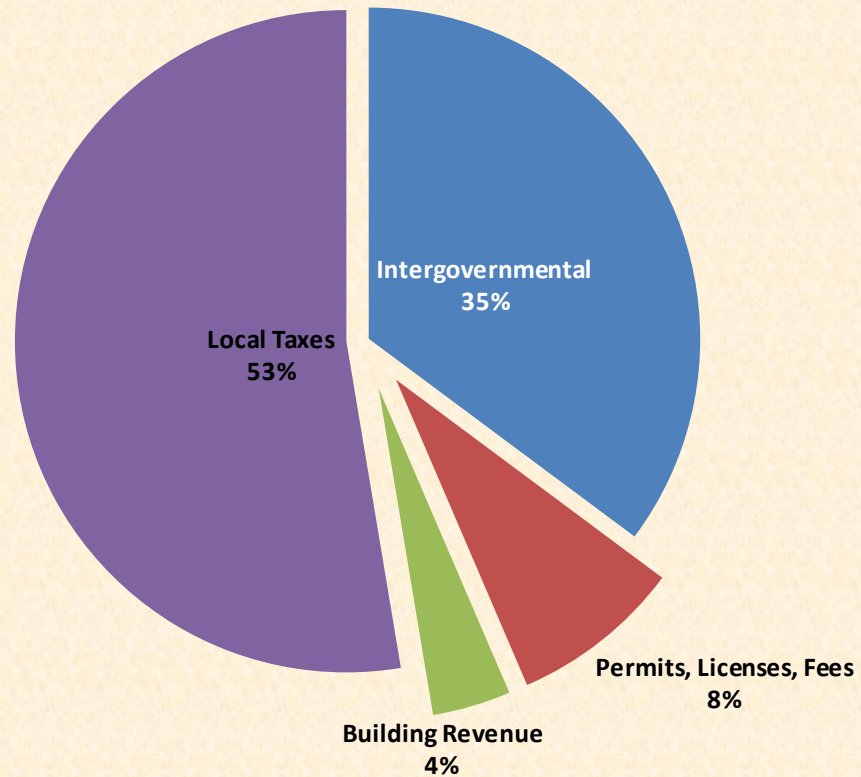
In Lieu fees represent encroachment permit revenues for street encroachments.



Comparison of FY14-15 General Fund Operating Cost Per 1,000 Citizens



FY15-16 GENERAL FUND OPERATING REVENUES

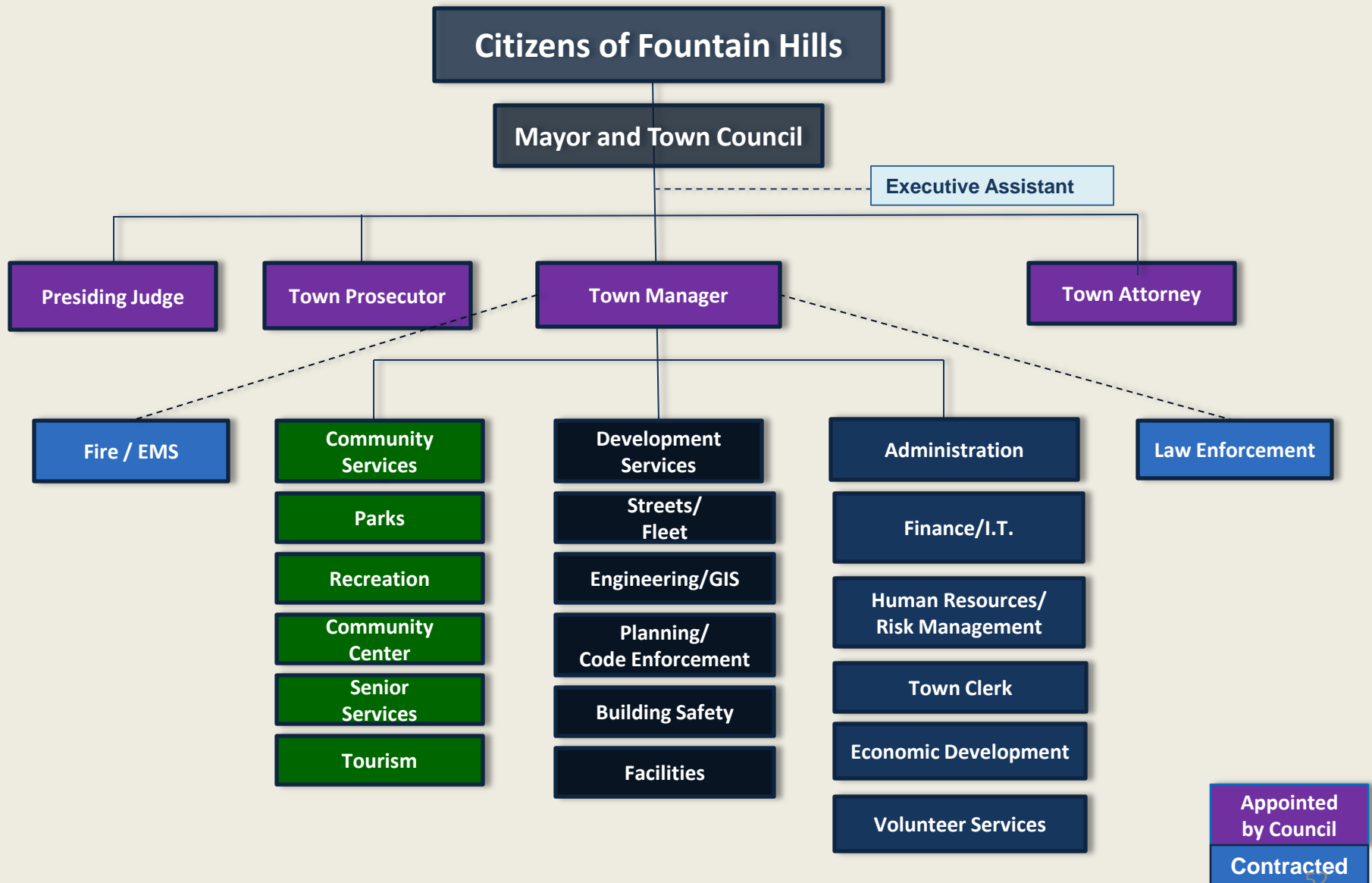


Core Service Budgets



Organizational Chart

Town of Fountain Hills Organization





Public Safety



FIRE DEPARTMENT



FIRE & EMERGENCY MEDICAL

\$3,501,797 **↑ 1.6%**

- Rural/Metro 2 Year Contract Extension to June 2018
- Activities include fire suppression, fire prevention, emergency medical service, building/fire safety.
- The C.A.R.E. Program is discontinued and defunded



Fire Services Budget Highlights

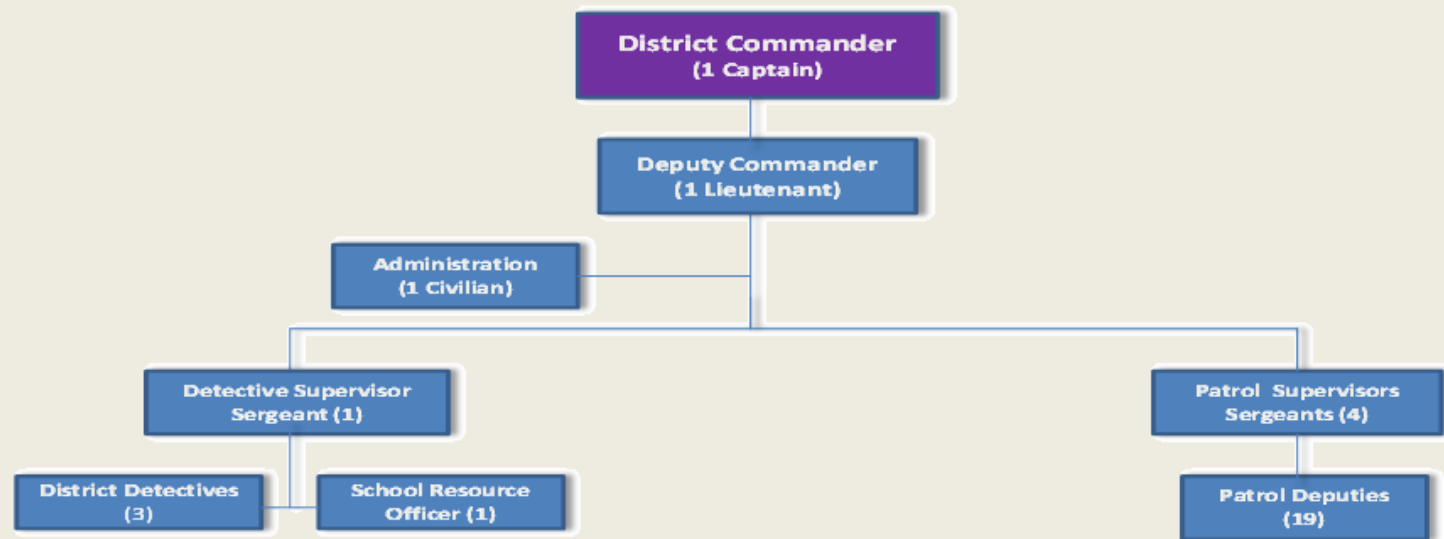


- Increase in Fire budget total: \$54,948(1.6 %)
- One-Time capital projects expenditures reduction which offsets the 3% adjustment to only a 1.6% increase.

FIRE AND EMERGENCY PROGRAMS

PROGRAM NAME	FY14-15 REVISED BUDGET	FY15-16 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YR
Fire Administration	\$160,895	\$165,404	2.8%
Fire Safety	\$157,391	\$161,793	2.8%
Fire Emergency Medical Services	\$1,468,591	\$1,513,136	3.0%
Fire Suppression	\$1,628,240	\$1,661,464	2.0%
C.A.R.E.	\$31,732	\$-0-	(100)%
TOTAL	\$3,446,849	\$3,501,797	1.6%

LAW ENFORCEMENT



LAW ENFORCEMENT

\$3,708,808 **↑ 9.7%**

- 10% increase in law enforcement Personnel Costs
\$279,607
- 3.8 beats plus School Resource Officer
- Increases to County benefits are passed on to the Town
- Includes contract with County for animal control and jail fees
- \$15,000 for MCSO Posse for vehicle maintenance on a reimbursement basis



LAW ENFORCEMENT DIVISIONS

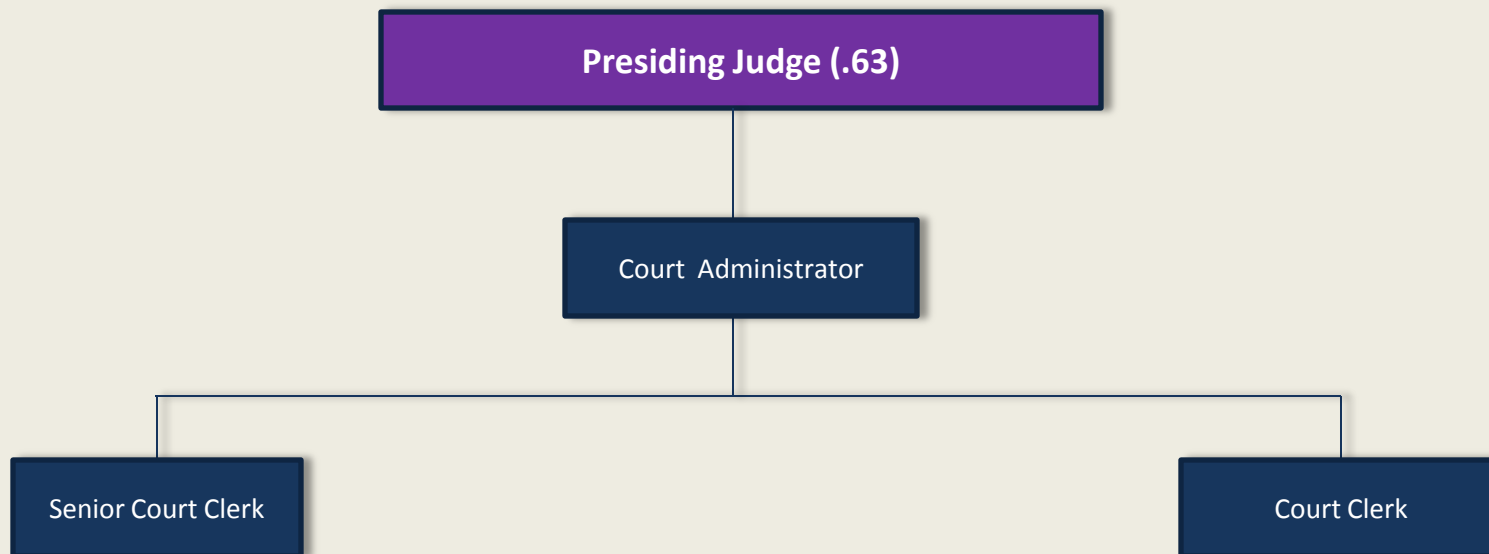
PROGRAM NAME	FY14 REVISED BUDGET	FY15 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YR
Administration	\$23,005	\$22,984	(0.1)%
Animal Control	\$39,825	\$40,320	1.2%
Incarceration/ Transport	\$67,500	\$67,500	0.0%
Patrol	\$3,249,300	\$3,578,004	10.1%
TOTAL	\$3,379,630	\$3,708,808	9.7%



Municipal Court



MUNICIPAL COURT



*Part time -
Appointed
by Council

Full Time

Magistrate Court Budget Highlights



- Increase in Magistrate Budget **\$1,942**
- Requested one part-time staff position – unfunded in FY2015/16
- Continued Teen Court program

Municipal Court

\$277,107

↑ 0.7%



PROGRAM NAME	FY14 REVISED BUDGET	FY15 PROPOSED Budget	INCREASE/ (DECREASE) PRIOR YR
Administration	\$186,878	\$188,450	0.8%
Civil Cases	\$30,999	\$31,505	1.6%
Criminal Cases	\$48,996	\$48,866	(0.3)%
Juvenile	\$8,292	\$8,286	(0.1)%
TOTAL	\$275,165	\$277,107	0.7%

Core Responsibilities:

Civil/Criminal Traffic Violations; Misdemeanor Offenses; Town Code/Ordinance Offenses; Trials, Hearings, Sentence Enforcement and Compliance; Orders of Protection and Harassment Injunctions, Teen Court.

Full Time Equivalent (FTE) Employees:

FY13	FY14	FY15	FY16
5	4	3.63	3.63



Administration

ADMINISTRATION

\$2,279,152 **↑ 8.8%**



- CORE SERVICES: Town Manager, Legal Services, Town Clerk, Finance, HR/Risk Management, Information Technology, Economic Development, Volunteer Program
 - Economic Development, Finance/Budget, Banking, Asset Tracking, Licensing, Purchasing , Audit, Customer Service, Volunteer Program , Channel 11 , Websites.
 - Employee policies/procedures, employee benefits, payroll/compensation, Loss Control/Risk Management, Employee Relations, Employee Training.
 - Public records administration, elections, general administration, legislative administration.
 - Town Council, Strategic Planning Advisory Commission, Municipal Property Corporation.
 - Volunteer Program coordinates 26 programs; 700 volunteers; 23,000 hours; \$450,000 savings.
 - Additional services include professional services contract with Fountain Hills Food Bank.

Town Manager	\$576,023
I.T.	\$275,975
Town Clerk	\$130,490
HR	\$401,120
Finance	\$507,290
Legal Services	<u>\$388,254</u>
	\$2,279,152



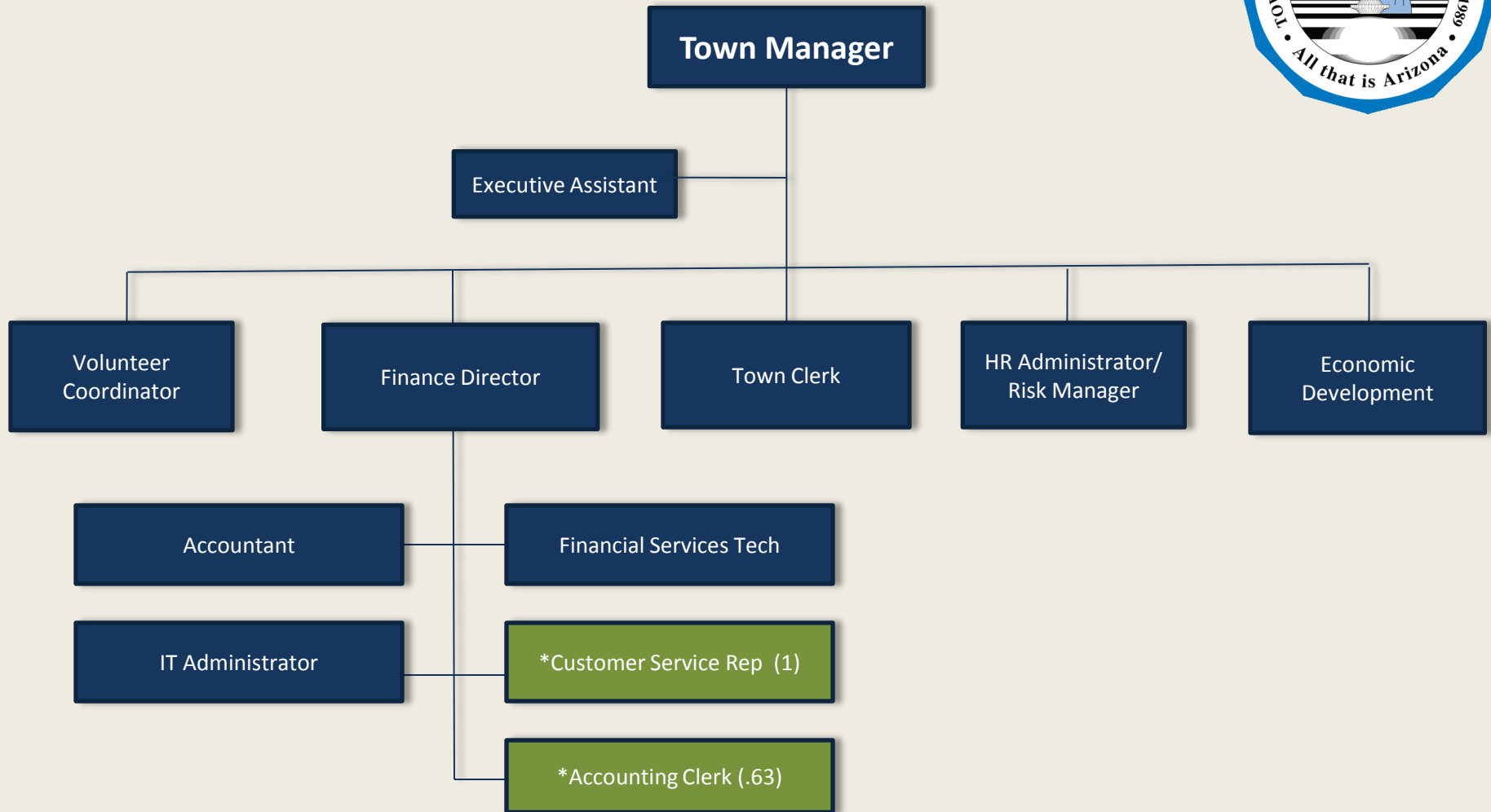
Administration

\$2,279,152  **8.8%**

Budget Highlights:

- Food Bank Professional Services Contract **\$24,200**
- League of Cities and Town Dues **\$14,545**
- Maricopa Association of Governments **\$3,786**
- Legal Services reflect rate increase **\$61,024**
- Finance includes **\$80,000** for environmental fee implementation and **\$47,914** for new cost to Department of Revenue for TPT collection

ADMINISTRATION DEPARTMENT



Full Time
* Part time

ADMINISTRATION DIVISIONS

FY 2014/15

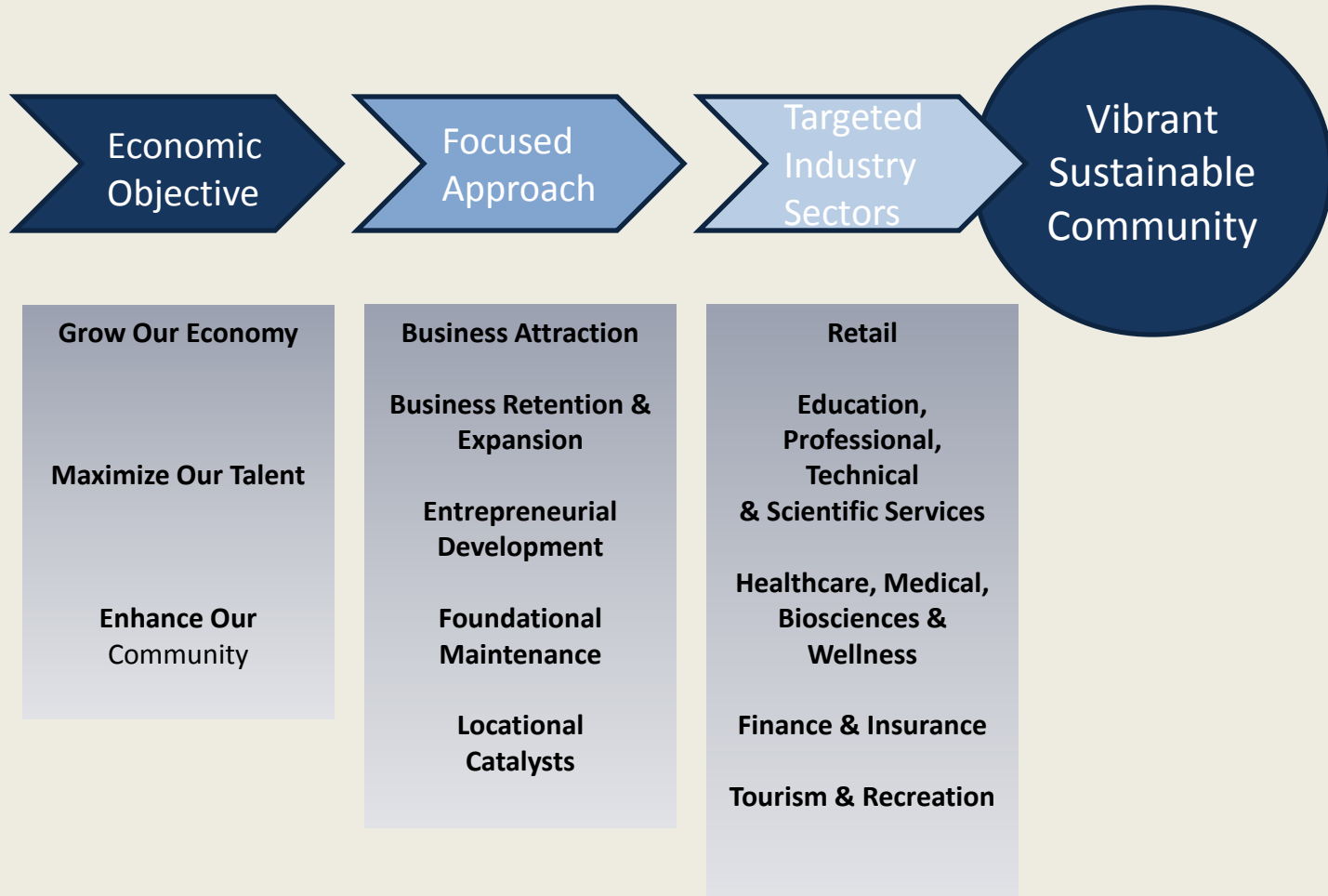
DIVISION NAME	FY14 REVISED BUDGET	FY15 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YR
Town Manager	\$501,393	\$576,023	14.9%
Information Technology	\$253,380	\$275,975	8.9%
Town Clerk	\$159,247	\$130,490	(18.1)%
HR/Risk Mgmt	\$400,557	\$401,120	0.1%
Finance	\$362,738	\$507,290	39.9%
Economic Development	\$90,000	\$0	(100)%
Legal Services	\$327,230	\$388,254	18.6%
Sub-TOTAL	\$2,094,545	\$2,279,152	8.8%

**Full Time Equivalent
(FTE) Employees:**

FY13	FY14	FY15	FY16
11.68	10.56	10.96	11.33

Economic Development Planning Approach

EV1 – Strategic Plan Goal



ECONOMIC DEVELOPMENT PLAN EXCISE TAX FUND/GENERAL FUND



EXCISE TAX/ECONOMIC DEVELOPMENT PLAN - Excise Tax \$332,583

Downtown Strategy

20% of \$332,583	\$72,517
Christmas Lighting	(30,350)
Lighting Repairs	(50,000)
Administrative costs	(535)
Transfer Out – Downtown Vision Plan & Ave. of the Fountains/Saguaro intersection lighting	(477,000)

Business Attraction Strategy + \$50,000 (GF Transfer)

80% of \$332,583 + \$50,000	\$316,066
Fountain Hills Community Theatre Professional Services	(\$35,120)
JumpStartBiz	(\$4,500)
Event marketing (spring/summer) – July 4 th Fireworks, advertising	(\$11,655)
Dues – GPEC	(\$11,211)

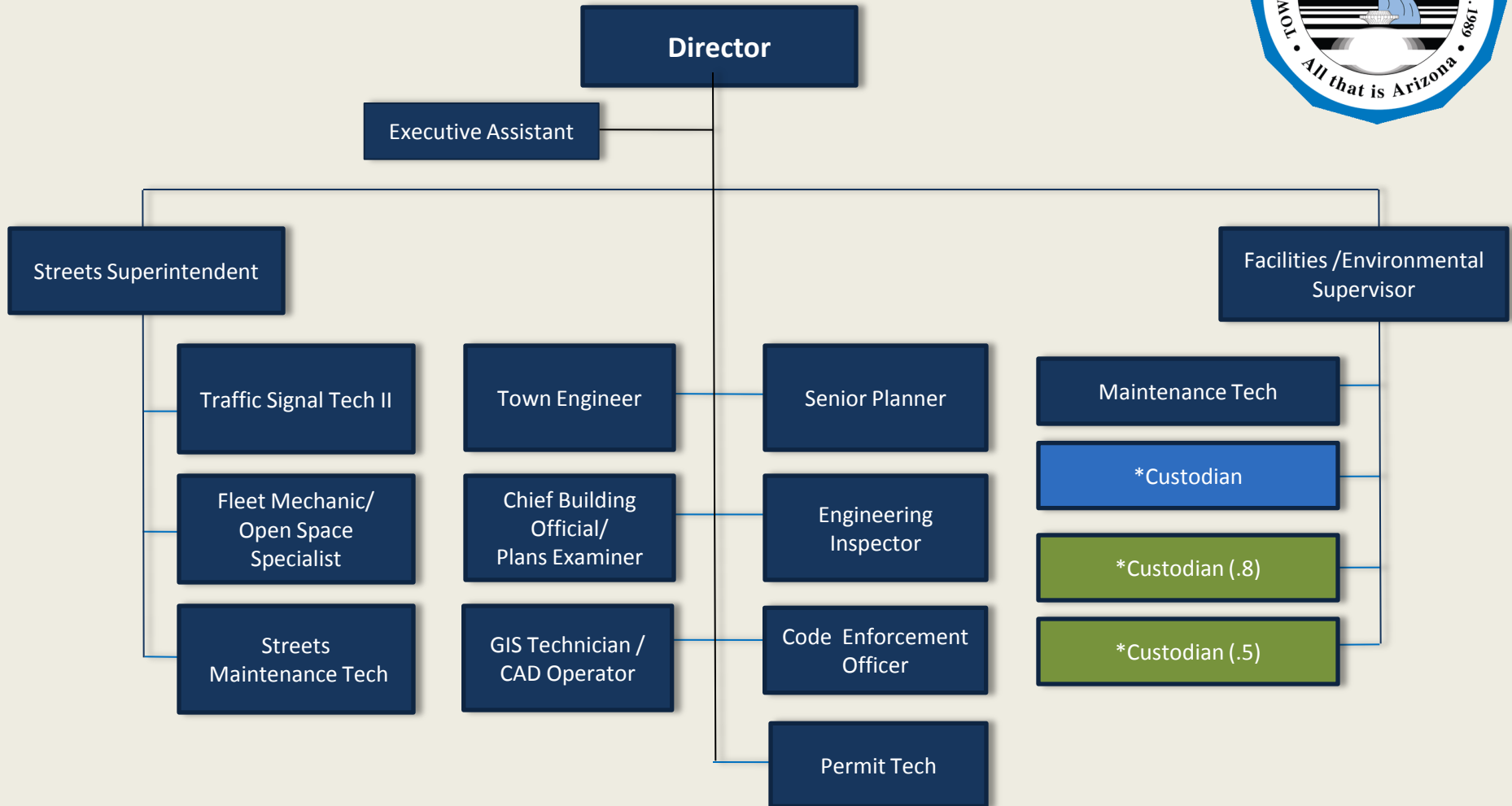
Tourism Strategy

\$139,100




Development Services

DEVELOPMENT SERVICES DEPARTMENT



Full Time
* Part time
Contracted

DEVELOPMENT SERVICES

\$1,803,324  **11.5%**

- Departments include Streets, Planning, Building Safety, Code Enforcement, Storm Water/Environmental Services, Engineering, Facilities, Mapping & Graphics

Budget Highlights:

- Budget decrease of \$192,898; due to transfer of costs to new Environmental Fund
- Responsible for six ADWR Dams
- Solid waste/recycling contract administration
- 700 acres of wash maintenance
- Maintenance of ten town-owned buildings;
- Administration of eleven Capital Projects
- 2,200 Building Inspections
- 775 Code Enforcement Cases

DEVELOPMENT SERVICES DIVISIONS

DIVISION NAME	FY14 REVISED BUDGET	FY15 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YR
Engineering	\$524,399	\$505,793	-(3.5)%
Facilities	\$922,690	\$752,761	(18.4)%
Planning	\$171,311	\$167,248	(2.4)%
Building Safety	\$214,748	\$204,478	(4.8)%
Code Compliance	\$104,546	\$102,479	(2.0)%
Mapping & Graphics	\$76,812	\$70,565	(8.1)%
Sub-TOTAL	\$2,014,506	\$1,803,324	(11.5)%

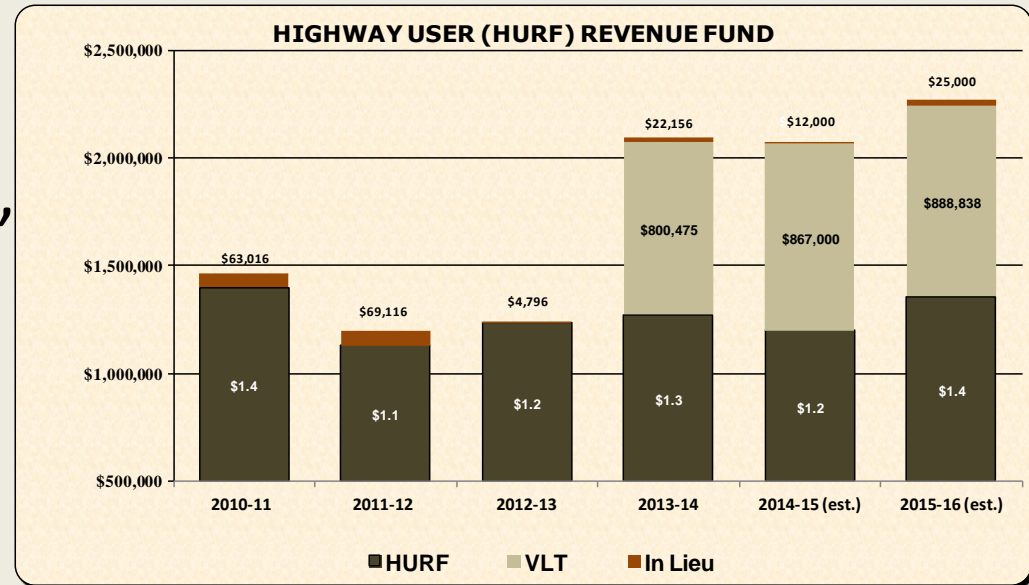
Full Time Equivalent (FTE) Employees:

FY13	FY14	FY15	FY16
12.75	12.25	12.30	11.80

STREETS FUND (HURF)

\$2,843,025 **↑ 19.6%**

- Funds street division operations – 4.5 FTEs
- Maintain 390 lane miles, 3.5 million sq. yds. of asphalt
- Maintain 68 acres of medians
- Zone #1 Pavement Maintenance



HURF/STREET PROGRAMS

PROGRAM NAME	FY14 REVISED BUDGET	FY15 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YR
Administration	\$170,717	\$220,730	29.3%
Adopt a Street	\$4,804	\$4,227	(12.0)%
Legal Services	\$24,000	\$32,136	33.9%
Open Space	\$275,863	\$350,439	27.0%
Pavement Management	\$1,493,249	\$1,761,276	17.9%
Street Signs	\$86,798	\$90,003	3.7%
Street Sweeping	\$81,500	\$-0-	(100.0)%
Traffic Signals	\$152,034	\$278,145	82.9%
Vehicle Maintenance	\$87,176	\$106,069	21.7%
TOTAL	\$2,376,141	\$2,843,025	19.6%

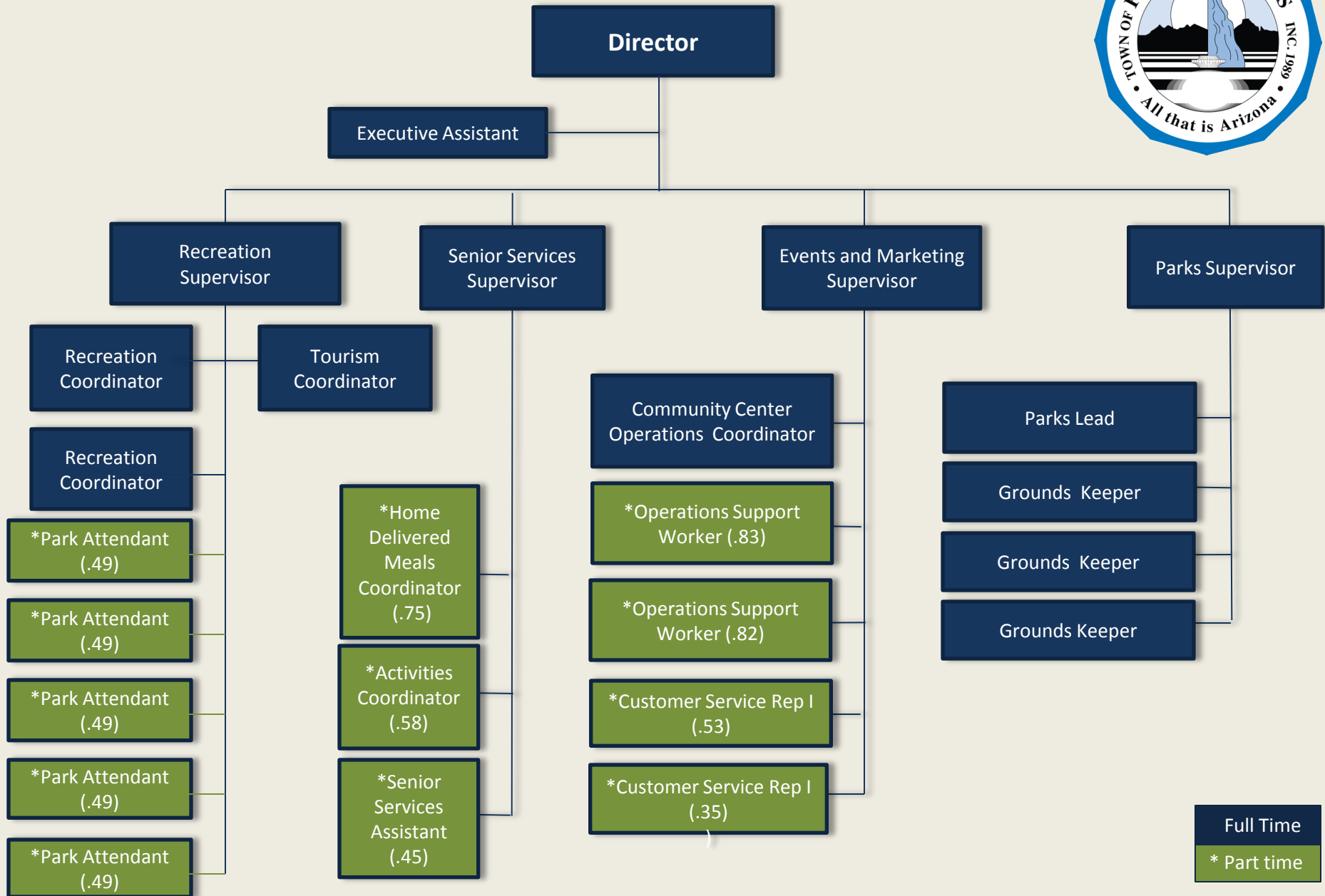
Full Time Equivalent (FTE) Employees:

FY13	FY14	FY15	FY16
6	4	4	74.5



Community Services

COMMUNITY SERVICES DEPARTMENT



COMMUNITY SERVICES

\$2,253,194 ↓ 3.7%

- Activities include the Tourism Program, Parks, Trails, Community Center, Recreation Programs, Senior Programs, Home Delivered Meals



COMMUNITY SERVICES

Budget Highlights

- Highlights:
- Tourism Program **\$136,921**
- Parks - 116 acres of parks; dog park; five ball parks;
- 740 acres of Preserve; and 10.43 miles of trails
- Recreation Programs – adult; youth; senior services
- Additional Recreation Professional Services
(B/G Club). Requested \$60,000.
Recommend: **\$ 51,200**
- Youth Art and Culture (Theater) **\$ 28,096**

COMMUNITY SERVICES DIVISIONS

DIVISION NAME	FY14 REVISED BUDGET	FY15 PROPOSED BUDGET	INCR/ (DECREASE) PRIOR YR
Recreation	\$585,249	\$606,137	3.6%
Parks	\$1,096,044	\$1,186,639	8.3%
Community Center Operations	\$444,521	\$227,823	(48.7)%
Senior Services	\$213,336	\$232,596	9.0%
TOTAL	\$2,339,148	\$2,253,194	(3.7)%

Full Time Equivalent (FTE) Employees:

FY13	FY14	FY15	FY 16
20.18	20.56	21.06	21.06



Capital Improvement Plan

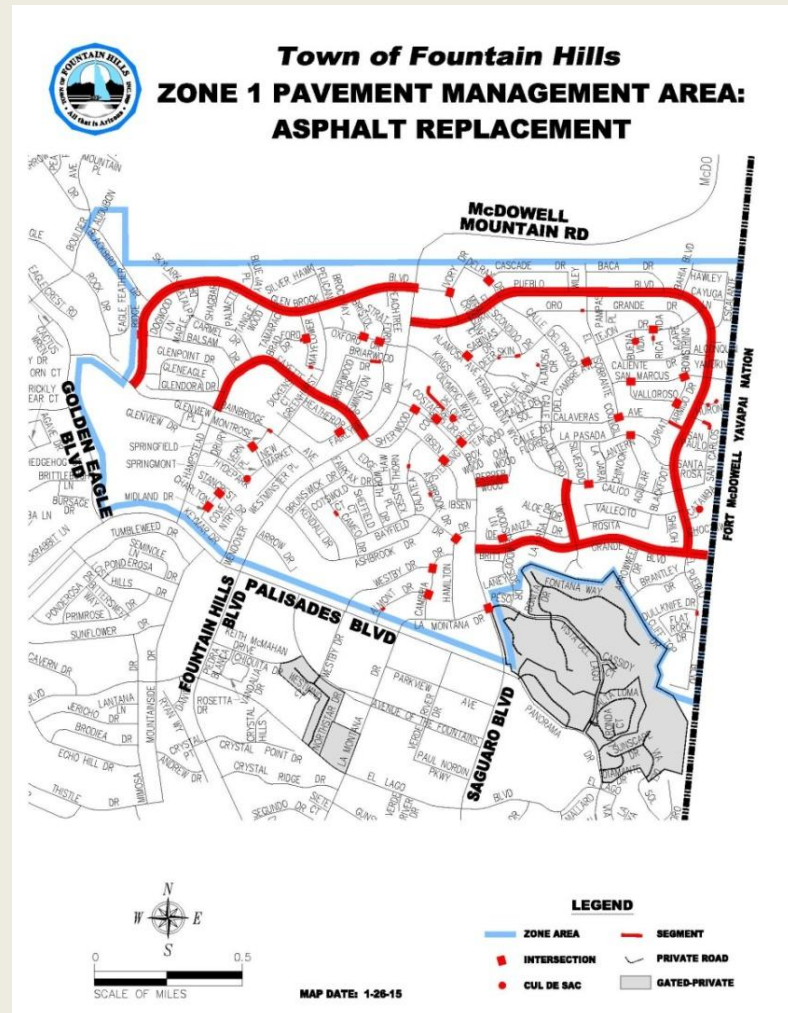
\$14,276,350

2015/16

Pavement Maintenance Capital Expenditures



- \$1,000,000 accumulated over a 12-month period of both Highway User Fund and Vehicle License Tax.
- Zone #1 – 1st Phase is slated as the next pavement maintenance project.
- **Note:**
- 3 – year project
- Mill & Overlay - Glennbrook, El Pueblo & Grande
- 712,026 sq. yd. of asphalt
- 73 pavement replacement locations
- 19,000 square yards





2015/16 Major Capital Projects

- **Ashbrook Wash Channelization Improvements (\$1,310,000 CIP, \$835,000 Grant)**
- **Miscellaneous Drainage Projects (\$50,000 CIP)**
- **Downtown Vision Plan “Avenue/Lakeside Project” (\$200,000 Downtown Strategy Fund)**
- **Fire Station #2 Relocation Project (\$3,379,314 CIP; \$270,686 DIF)**
- **Fountain Park Improvements Phase VI – (\$910,000 CIP)**
- **Fountain Lake Water Quality Improvements (\$200,000 CIP)**
- **Adero Canyon Trailhead (\$20,000 CIP)**
- **Shea/Saguaro Street Project (\$4,360,000 total: multi-year project - \$500,000 CIP, \$500,000 MAG/McDOT)**



Major Capital Projects cont.....

- Saguaro Blvd. Road Bond Reconstruction (\$4,725,000 bonds, 275,000 Downtown Strategy Fund)
- Palisades/Saguaro Traffic Signal Upgrades (\$380,000 CIP)
- Fountain Hills Blvd. Shoulder Paving Project (\$245,000 CIP, \$255,000 grant)
- Highway Safety Improvement Program (\$15,000 grant)
- McDowell Mountain Road Repairs (\$65,000 CIP)
- Contingency (\$141,350 CIP)

Total \$14,276,350



Fee Schedule Changes

FY15-16 FEE SCHEDULE CHANGES



Fee Category	Old Fee	New Fee
ActiveNet Transaction Fee		\$2.50 per transaction
Convenience Fee - credit card payment		\$3.00 per transaction
11" x 17" Street/Index Map "Typical" (B&W)	\$0.75	\$0.80
11" x 17" Street/Index Map "Typical" (Color)	\$3.00	\$1.40
24" x 36" Street/Final Plat/As Built (Color)	\$20.00	\$10.00
36" x 36" Bldg/Plat/Zoning Map (B&W)		\$10.00
36" x 36" Bldg/Plat/Zoning Map (Color)		\$25.00
36" x 36" Aerial (Photo)		\$40.00

FY15-16 FEE SCHEDULE CHANGES



Fee Category	Old Fee	New Fee
Non - neutered dog	\$42.00	\$42.00 - non-refundable
Spayed/Neutered dog	\$17.00	\$17.00 - non-refundable
Over 65 with neutered dog	\$6.00	\$6.00 - non-refundable
Replacement Dog Tag	\$4.00	\$4.00 - non-refundable
Late fee neutered dog (per month)	\$2.00	\$2.00 - non-refundable
Late fee non - neutered dog (per month)	\$4.00	\$4.00 - non-refundable
Providers of services, wholesalers and manufacturers with a fixed place of business within the town limits	\$50.00/application and first year fee	\$50.00/application and first year fee - non-refundable
Retail merchants, restaurants, bars, contractors and renters of real and personal property with a fixed place of business within the town limits and persons engaging in the sale of real estate	\$50.00/application and first year fee	\$50.00/application and first year fee - non-refundable
Wholesalers, manufacturers and providers of services without a fixed place of business within the town limits	\$50.00/application and first year fee	\$50.00/application and first year fee - non-refundable

FY15-16 FEE SCHEDULE CHANGES



Fee Category	Old Fee	New Fee
Retail merchants, etc. (as above) without a fixed place of business within the town limits	\$50.00/application and first year fee	\$50.00/application and first year fee - non-refundable
Annual renewal fee for business within the town limits	\$35.00	\$35.00 - non-refundable
Annual renewal fee for business without a fixed place of business within the town limits	\$50.00	\$50.00 - non-refundable
Late fee for renewal of business license fee		25% of renewal fee
Peddlers, solicitors and mobile merchants	\$250.00/calendar quarter or fraction thereof	\$250.00/calendar quarter or fraction thereof - non-refundable
Peddler investigation fee (per person)	\$25.00	\$25.00 - non-refundable
Duplicate Business License	\$10.00	\$10.00 - non-refundable
Verification of License Letter	\$10.00	\$10.00 - non-refundable
Lease Agreement Application Fee, each location	\$100, per location	\$100.00, per location - non-refundable
Amendments to Cell Tower Lease Agreements		\$100.00 - non-refundable

FY15-16 FEE SCHEDULE CHANGES



Fee Category	Old Fee	New Fee
Application Fee - Business	\$100.00	\$100.00 - non-refundable
Application Fee - Charitable Organization	\$50.00	\$50.00 - non-refundable
Special Event Liquor Application Fee	See alcohol license application fees	See alcohol license application fees - non-refundable
Person Transfer Fee	\$150.00	\$150.00 - non-refundable
Location Transfer Fee	\$150.00	\$150.00 - non-refundable
Probate/Will Assignment/Divorce Decree	\$150.00	\$150.00 - non-refundable
Extension of Premise	\$25.00	\$25.00 - non-refundable
Sampling Permit	\$25.00	\$25.00 - non-refundable
01 - In State Producer	\$500.00	\$500.00 - non-refundable
02 - Out of State Producer	\$500.00	\$500.00 - non-refundable
03 - Domestic Microbrewery	\$500.00	\$500.00 - non-refundable

FY15-16 FEE SCHEDULE CHANGES



Fee Category	Old Fee	New Fee
04 - In State Wholesaler	\$500.00	\$500.00 - non-refundable
05 - Government	\$500.00	\$500.00 - non-refundable
06 - Bar, All Spirituous Liquors	\$500.00	\$500.00 - non-refundable
07 - Beer & Wine Bar	\$500.00	\$500.00 - non-refundable
08 - Conveyance	\$500.00	\$500.00 - non-refundable
09 - Liquor Store	\$500.00	\$500.00 - non-refundable
10 - Beer & Wine Store	\$500.00	\$500.00 - non-refundable
11 - Hotel/Motel	\$500.00	\$500.00 - non-refundable
12 - Restaurant	\$500.00	\$500.00 - non-refundable
13 - Domestic Farm Winery	\$500.00	\$500.00 - non-refundable
15 - Special Event	\$25.00	\$25.00 - non-refundable

FY15-16 FEE SCHEDULE CHANGES



Fee Category	Old Fee	New Fee
16 - Wine Festival/Wine Fair	\$25.00	\$25.00 - non-refundable
Application Fee - Business	\$500.00	\$500.00 - non-refundable
Application Fee - Provider	\$100.00	\$100.00 - non-refundable
Application Fee - Manager	\$100.00	\$100.00 - non-refundable
Application Fee - Employee (per person)	\$50.00	\$50.00 - non-refundable
License Fee - annual - Business	\$200.00	\$200.00 - non-refundable
License Fee - annual - Provider	\$100.00	\$100.00 - non-refundable
License Fee - annual - Manager	\$100.00	\$100.00 - non-refundable
Initial License Application	\$2,500.00	\$2,500.00 - non-refundable
Transfer of ownership	\$2,000.00	\$2,000.00 - non-refundable
License modification, pursuant to 47 USC Sec 545	\$2,500.00	\$2,500.00 - non-refundable
Other License modification	up to \$2000	up to \$2000 - non-refundable

FY15-16 FEE SCHEDULE CHANGES



Fee Category	Old Fee	New Fee
Base Permit Fee	\$50.00	\$50.00 - non-refundable
Hillside Protection Reconfiguration and/or Replacement of Hillside Protection Easement		\$350.00
Engineering Report/Calculations Review Fee (Drainage, Environmental, Traffic, Structural, Water, Sewer, etc.)		\$350.00 per report
Environmental fee		\$3.00 per month per parcel; billed \$36.00 annually
Special Use Permits and amendments	\$500.00 plus notification *^	\$500.00 plus notification *^ - non-refundable
Temporary Use Permits	\$200.00 plus notification *	\$200.00 plus notification * - non-refundable
Refund for cancelled Single Family Home permit	35% of building permit fee paid	35% of building permit fee paid - request must be made within 180 days of original payment
Refund for cancelled Commercial Building permit (must be done in writing)	35% of building permit fee paid	35% of building permit fee paid - request must be made within 180 days of original payment
Avenue of the Fountains Plaza Rental - 3 hour minimum		\$75.00 Per Hour, each section

FY15-16 FEE SCHEDULE CHANGES



Fee Category	Old Fee	New Fee
Power Distribution Box Rental Fee & Deposit		\$15.00/box per day; \$100.00 deposit per box and power cable
Alcohol Permit with Park Reservation	\$10.00 for 50 Consuming Adults	\$10.00 for 50 Consuming Adults - non-refundable
Avenue of the Fountains Plaza Rental - 3 hour minimum		\$112.50 Per Hour, each section
Power Distribution Box Rental Fee & Deposit		\$15.00/box per day; \$100.00 deposit per box and power cable
Alcohol Permit with Park Reservation	\$10.00 for 50 Consuming Adults	\$10.00 for 50 Consuming Adults - non-refundable
Court User	\$10.00 per charge, plus surcharges	\$20.00 per charge, plus surcharges

Fee changes are highlighted in **BOLD**.

FY15-16 FEE SCHEDULE CHANGES - Explanations

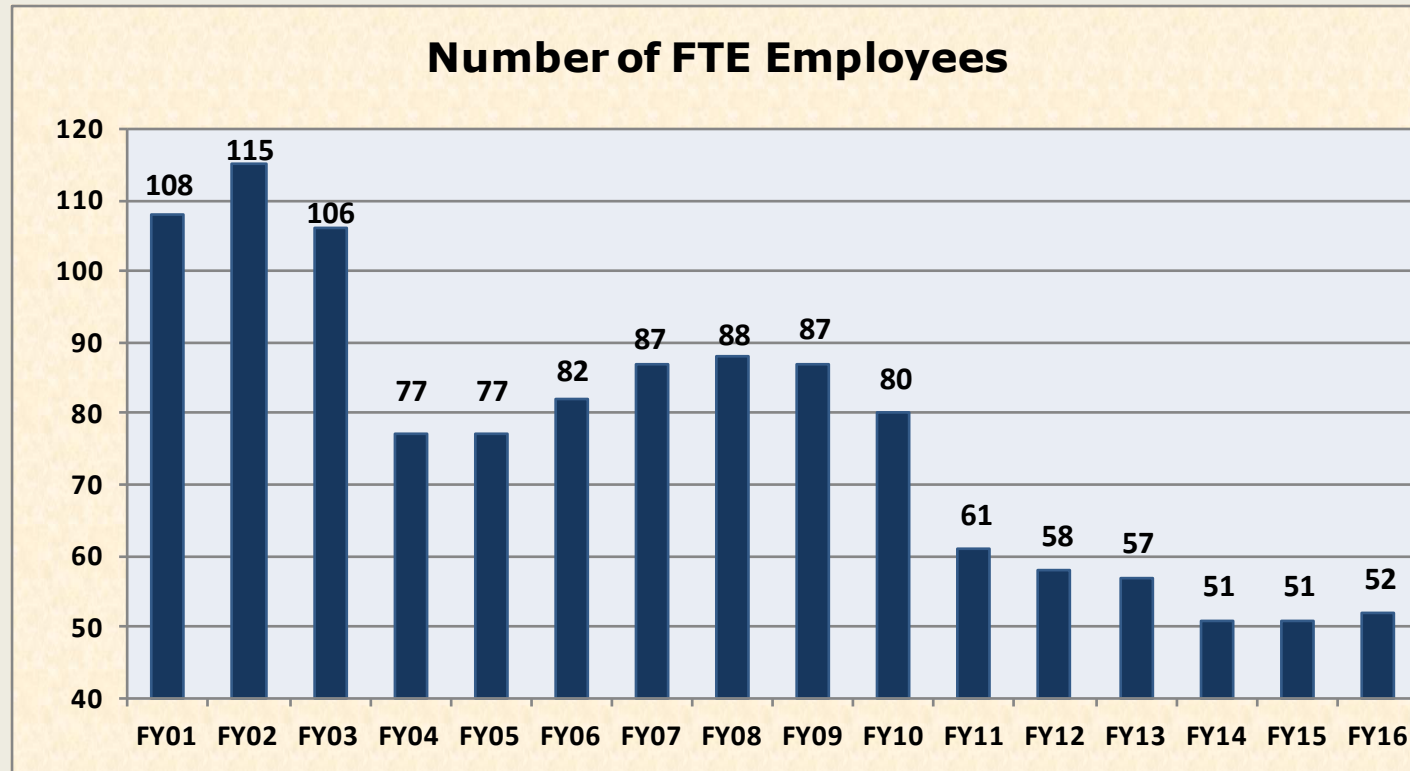


- ActiveNet Transaction Fee – charged to Town by the hosting service
- Convenience Fee – will recover cost charged to Town by credit card companies
- Maps – new fees established for different map sizes and some fees adjusted to align with actual and commercial copy costs
- Non-refundable – all application fees made non-refundable to cover cost of work performed by staff prior to issuance of the application
- Hillside Protection Reconfiguration – new fee to cover staff time and expense
- Engineering Report – new fee to cover staff time and expense
- Environmental Fee – new fee adopted by Council
- Avenue of the Fountains Plaza Rental – new rental for the new Plaza
- Power Distribution Box Rental Fee – new fee/deposit for the new electrical boxes and power cables
- Court User – fee has not been increased since 1997



Personnel

PERSONNEL



Increase results from adding full time Economic Development Specialist and Tourism Coordinator.

PERSONNEL & BENEFITS

\$3,819,016

1.6% 



Wages and Benefits by Fund

	FY14-15	FY15-16	+/- Prior Year
General Fund	\$3,240,590	\$3,241,546	0.0%
HURF	\$404,830	\$385,126	(4.9)%
Economic Development	\$54,655	\$103,727	89.8%
Tourism Fund	\$58,475	\$65,491	12.0%
Environmental Fund	<u>\$0</u>	<u>\$23,126</u>	N/A
TOTAL	\$3,758,550	\$3,819,016	1.6%

A 2.5% Adjustment on the Base Salary Plan for employees is recommended for FY15-16 for a total cost of \$63,822.

Personnel



- Personnel Requests from Development Services, Magistrate Court, Finance and Community Services.
- No new staff positions budgeted.
- **42 Full Time** Employees/ **21 Part Time** Employees...**52.32** Total Full Time Equivalent Employees.
- **2.5% Increase** recommendation for all employees in the amount of **\$63,822** included.
- Total Personnel Cost **\$3,819,016**. Increase of **1.6%**.

Budget Resolutions



- **Two (2) Budget Resolutions**

- **1st Resolution** Adopts the Proposed Budget.
 - Includes adoption of the Fee Schedule as proposed
- **2nd Resolution** Clarifies the parameters of administering the 2015/16 Budget.
 - Assists Staff with policy direction as to administering policies and procedures governing planned budgeted expenditures.
 - Assists the Mayor & Town Council and Citizens with a clear understanding of parameters of the various departmental and program expenditures for the Final Adopted Budget.
 - Adopts the Organizational Chart, FTE Schedule, Job Descriptions and Pay Plan for the 2015/16 fiscal year.
 - Asphalt Replacement Policy added to the Pavement Management Program.

2015/16 Annual Budget



**Town Manager Recommendation:
Approve the 2015/16 Annual Budget
In the amount
of**

\$37,954,031



Questions?